

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 2, 1931

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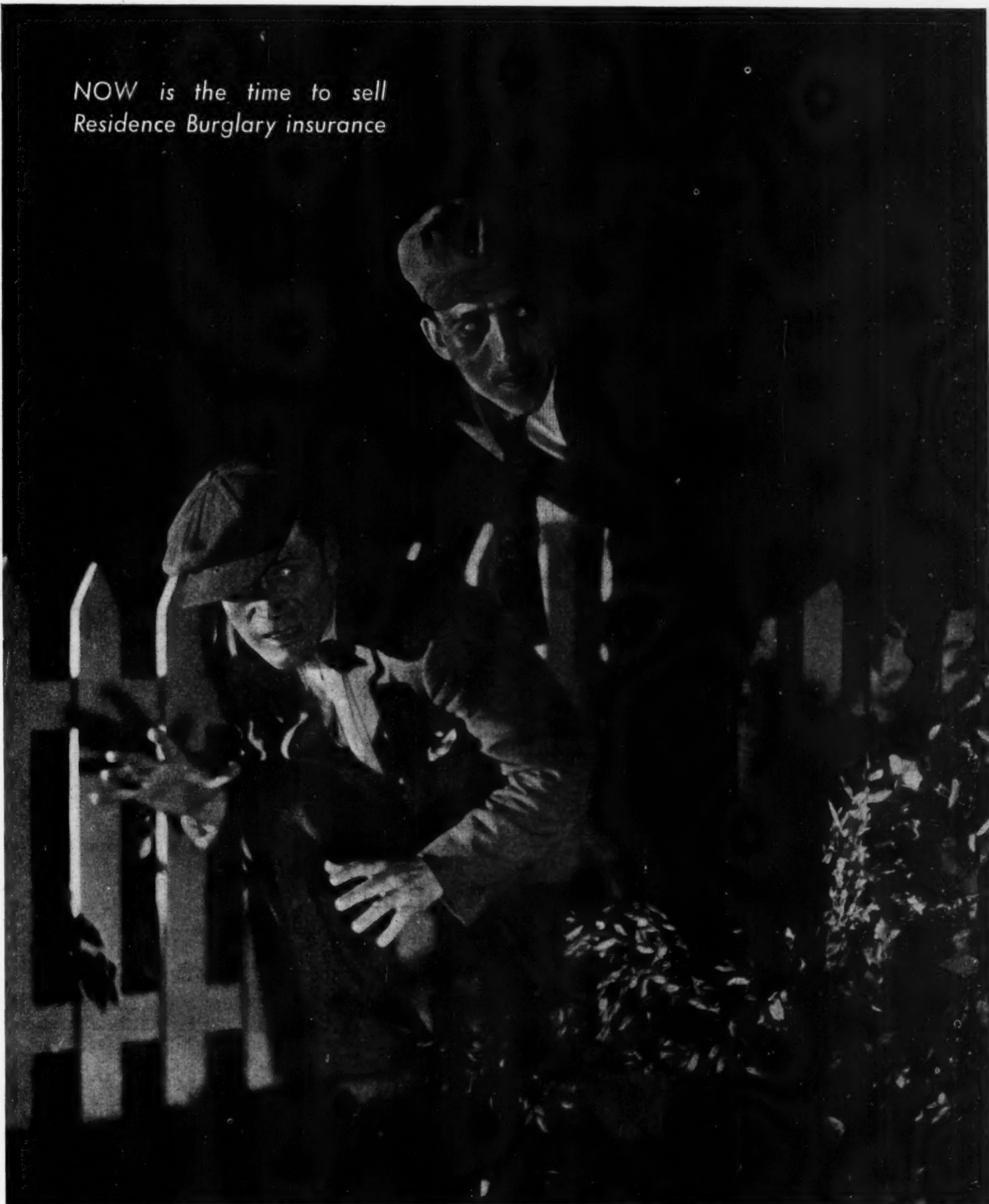
NEW YORK

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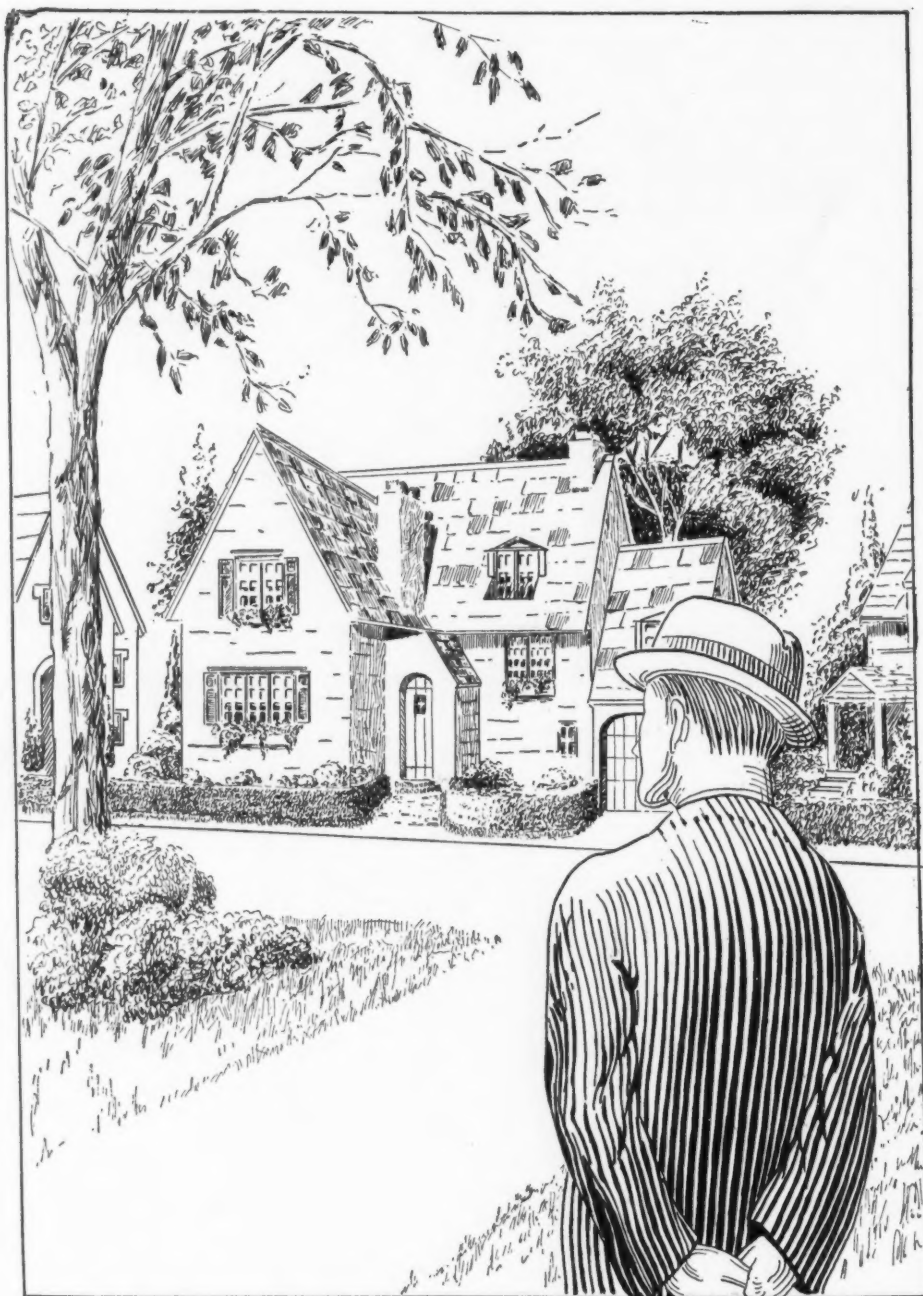
CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MO



THE INSPECTOR SURVEYS THE ENVIRONMENT

One of the most important elements of any inspection report is a consideration of the environment in which the risk lives and works. No matter what the type of coverage, a man may be judged, within reasonable limits, by the company he keeps.

Surveying the residential and occupational environment is a standard requirement of every inspection. It is not enough to know that a man lives at 10,000 Smith Avenue. It is necessary to go further and determine what sort of neighborhood surrounds this address. As a residential neighborhood, is it good, medium, fair or poor? Is it the operating

theatre of gangs and rackets? Are living conditions sub-standard, unhealthy, hazardous? Or is this neighborhood the dwelling place of sober, respectable citizens with the fear of God in their hearts? All these things the Inspector has in mind and he is trained to cover them carefully.



Established 1899

The nationwide facilities of The Hooper-Holmes Bureau are devoted to the compiling of Moral Hazard Inspection Reports for insurance underwriting, credit, commercial and employment purposes and claim reports.

THE HOOPER-HOLMES BUREAU, Inc.

The National Underwriter

Thirty-Fifth Year No. 27

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 2, 1931

\$4.00 Per Year, 20 Cents a Copy

Expect Separation Solution in South

With All Parties Cooperating on
Mixed Agency Issue, Agents
Look for Results

"PASS BUCK" FOR YEARS

Matter Now Before S. E. U. A. Execu-
tive Committee as Result of Indi-
vidual Agents' Action

ATLANTA, July 1.—For years "agency separation" in the south has been a football kicked back and forth from company to agent and agent to company. Now all parties concerned, company officials, special and local agents, have finally come into conference on the subject in a spirit of cooperation and the belief prevails that they will arrive at an early solution.

For the past six or seven years wherever fire insurance men of the south foregathered, at local and state agents' meetings, field men's conferences and even in individual conversations, "separation" was the subject of discussion. The agent said the companies must clean house and the companies in turn said the agent should do the cleaning. In the meantime mutuals continued to make inroads on the premium income of the stock companies.

One Agent Decides to Act

Last February a local agent from one of the smaller Georgia towns, while attending a meeting of the executive committee of the Georgia association, declared he had grown tired of so much talk, that he proposed to act individually and that he believed he would get results. It is said that he returned home, addressed a letter to each of his companies informing them that he had no mutual connection; that he would like to be advised as to their attitude toward mixed agencies, and if they encouraged mixed agencies he was ready then and there to resign the agency of such companies. Apparently other agencies sent similar messages to their companies and it is said that these letters resulted in the first action toward a solution of the mixed agency problem.

The agitation continued until the matter was finally put squarely up to the Southeastern Underwriters Association. At its annual meeting the subject was passed on to the executive committee, which is now working on the matter. The agents express confidence in the ability of that committee to bring about a satisfactory solution.

Georgia Situation Acute

While separation has been a live topic throughout the south, it appears that several states in this section are not bothered with the "mixed agency" problem. It is claimed that there are no mixed agencies in North Carolina and

Lindbergh Plane Covered for His World Flight

NEW YORK, July 1.—When Col. and Mrs. C. A. Lindbergh hop off from New York on their proposed flight to Japan, and perhaps around the world, the plane of the flying colonel will be insured against any accident or eventuality which may crop up. It will be the first time in the history of aviation and aviation insurance that an airplane has been insured on an ocean flight. The Graf Zeppelin was insured on several of its flights but it was a lighter than air ship.

Ruth Nichols' Insurance

Ruth Nichols, on her recent contemplated flight across the Atlantic, was insured by Barber & Baldwin but the policy contained a clause excluding that part of the trip over the ocean. The company has already paid the claim on her smash-up in Newfoundland.

Several years ago, when Lindbergh made his Mexican good-will tour, the tour on which his romance with Anne Morrow, now his wife, started, he was insured on his flight from Mexico to Havana and from Havana to the United States. However, the distance of ocean travel was so short in this case, that aviation underwriters did not consider it an ocean flight.

Although aviation underwriters say that the Lindbergh policy undoubtedly contains a clause excluding his flying

over the Pacific, the United States Aviation Underwriters, which is carrying the insurance, declares that the policy "covers Lindbergh all over the world."

That Lindbergh may be planning not merely a flight to Japan but one around the world is indicated by the fact that when he applied for his present policy, he asked that the coverage be worldwide. The policy also reveals that he had been planning the flight long before there was any publicity in connection with it as the policy, which is said to cover against all hazards, such as loss of the ship, liability, etc., was not applied for recently but was taken out some months ago.

Insured for Ocean Flight

Aviation underwriters say that Lindbergh will be the first flyer ever to be insured for an ocean flight and that his trip will be watched very closely by them as it may be used as a precedent in the insuring of ocean flights in the future.

According to various companies, Lindbergh has been an ideal policyholder. He took out his first policy on his return to the United States from his epochal flight to Paris. In the ensuing four years he has never turned in a single claim nor has any company paid a loss under any of his policies.

Alabama. An acute situation, however, exists in Georgia and South Carolina. It is said that this is due very largely to the fact that domestic mutuals in these states had been favored with business by local agents on the plea of local support for home companies. In self-defense other local agents, who could not get home company representation, sought connections with foreign mutuals. More and more mutuals entered the state, until the number of mixed agencies has become astonishingly large. The membership of the Georgia Association of Insurance Agents includes slightly more than 200 agents. A very recent survey shows that more than 50 of these operate mixed agencies. They say frankly it is a matter of self-preservation.

Concrete Case Cited

One agent cited a concrete case. An insured told him another agent had offered to put one piece of property in a mutual at a greatly reduced rate and then offered to take the entire line, including some 20 or more risks, at a tremendous saving. This agent then transferred the entire line from stock to mutuals in his own agency in order to retain the business for his office. This tells its own story.

It is also said that a number of other agents, many of them members of the Georgia association, have had mutual supplies in their offices for several months, simply awaiting some definite action from the stock companies on the matter of separation.

However, since all parties have come together to bring about satisfactory conditions, the local agents are patiently

marking time, confidently expecting a satisfactory solution from the S. E. U. A. committee to be announced probably in the early fall.

OHIO LOCAL AGENTS' MEETING

The annual meeting of the Ohio Association of Insurance Agents will be held at Cedar Point, Aug. 14-15. The first session will be held the afternoon of the 14th and the banquet will be that evening.

Freedy Gets National Security and Lafayette

M. A. Freedy, who has just retired as Wisconsin commissioner to become general agent in that state for the Alliance, will Aug. 1 take over the J. M. Hobbins general agency of the National Security and Lafayette Fire. Mr. Hobbins, whose headquarters are in Madison, expressed a desire to devote more time to his personal affairs and his local agency, which he will continue. Thus appointment of Mr. Freedy as general agent of the Alliance afforded an opportunity to carry out Mr. Hobbins' wishes and consolidated the three companies under Mr. Freedy.

The National Security is a member of the North America group as is the Alliance. The Lafayette is managed by the North America.

Cheaters Deterred by N.Y. Ultimatum

Moral Effect of Superintendent
Van Schaick's Warning Is
Noticeable

ILLICIT DEALS DECREASE

Those Who Predict Relaxation of Vig-
ilance in Few Months Believed
in Error

NEW YORK, July 1.—In the several weeks that have elapsed since the sharp warning against violations of the state law or of the rates and rules of insurance governing organizations was given by Superintendent Van Schaick, and more particularly since a number of other states have gone upon record as being in sympathy therewith, there has been a marked decrease in the attempts of brokers to place lines upon other than a correct basis, as well as upon the part of such companies as had previously been too ready to cut corners in their eagerness to get business at the expense of their more ethically conducted competitors.

The great majority of both companies and agents are in sympathy with organization rules and desire to have them generally observed; hence the satisfaction with which they view the change from previously existing conditions. Whatever the motive that inspired the reformation on the part of ringleaders in sharp practices, whether they had truly "gotten religion" or realized that unless they played the game straight the hand of the department would be laid upon them, is immaterial. The essential fact that it is almost impossible now for any broker to put over a "phoney" proposition, suggestions to that end made to companies from time to time being promptly tabooed.

Cynical View Unjustified

Some brokers hold to the view that the present attitude of the department is a sudden spasm soon to pass over. Acting upon that belief, they are offering attractive business at full tariff rates and in complete compliance with governing rules, suggesting quietly that six months hence the coverage be extended without additional premium. They are sure, however, to find themselves very much in error, as are also any company or agent deferring to this plea.

The department, as Mr. Van Schaick conveyed in his address last May, is determined that the statutes of the state and the rates and rules prepared by the different underwriting bodies be observed in their entirety, not only at the present but in future as well. If it can be shown that the laws are inelastic and can not meet present day underwriting requirements, then, as the department head stated, he will be glad to confer

(CONTINUED ON PAGE 9)

Seems to Find That Better Explanation Is Necessary

ALLSTATE HAS NEW CIRCULAR

Emphasizes Stock Plan and Tells More About Coverage—Valued Policy Recommended

A new circular by Sears, Roebuck & Co. on automobile insurance for the Allstate Insurance Company suggests some difficulties that the mail order house may have run into in selling automobile insurance by mail. Emphasis is laid on the fact that the Allstate is a stock company, operating on tried lines, and more care is given to explaining just what the insurance is and does. The first circulars used ordinary insurance terms without much explanation, apparently on the assumption that everybody was familiar with automobile insurance. The new circular uses the term "bodily injury liability" for what insurance men know as P. L., and "property damage liability" for P. D. The coverage under each kind of insurance, fire, theft, collision, and tornado, as well as the liability forms, is carefully explained.

Recommends Valued Policy

The valued form policy is recommended with the statement: "You know, when you own a valued form policy, what amount you will receive from the Allstate Insurance Company in the event of total loss of your car."

"Under the non-valued form," continues the circular, "it may appear that your car is insured for a high value. But in case of loss you collect only the real value of the car regardless of the amount of insurance. The value Allstate places on your car when the policy is written is the liberal estimate of what you will collect in case of loss under a non-valued or actual value form. Our premium is based on that value. Thus you do not pay for insurance that you cannot collect."

There are rumors that the mail order sale of automobile policies have not been going very rapidly, and that some plan may be tried of selling the policies through the Sears, Roebuck & Co. retail stores. It is also said that the mail order plan is receiving a stronger response from the cities than from the rural districts.

Pennsylvania Tightens Up

PHILADELPHIA, July 1.—Agents and brokers who are dropped by companies for failing to turn in collections and who secure licenses from other companies, will not be permitted to operate in Pennsylvania. The Pennsylvania department is now making a strong drive against agents who come under this category as well as others who, in the department's opinion, do not measure up to the high standards of the business. It is moving along very slowly, endeavoring wherever possible to secure sufficient evidence that will warrant criminal prosecution on pre-jury charges.

Oklahoma Bars Coercion

OKLAHOMA CITY, July 1.—The Oklahoma insurance board will no longer permit building and loan associations, automobile financing concerns or loaning agencies to dictate to clients as to the placing of their insurance. It also proposes to investigate strictly all applications for agents licenses, and declares it will not license brokers at all.

Merger Is Approved

Stockholders of the Ajax and Essex have approved the merger of the companies under the title of Essex as recommended by the directors. Both companies are owned by the Eagle Fire of Newark.

Heads National Board's Executive Committee



RALPH B. IVES
Chairman National Board Executive Committee

NEW YORK, July 1.—Ralph B. Ives, president of the Aetna, was elected chairman of the executive committee of the National Board at the committee's first meeting here last week following the annual gathering of the National Board. Mr. Ives has been a member of the committee for the past two years.

Other members of the executive committee now are Edward Milligan, president Phoenix of Hartford; F. W. Koeckert, United States manager Commercial Union; W. H. Koop, president Great American; C. W. Higley, president Hanover; H. J. Wyatt, vice-president United States Fire; G. T. Forbush, United States manager Royal Exchange; James Marshall, president Northern; F. D. Layton, president National; Gustavus Remak, Jr., president State of Pennsylvania; Percival Beresford, United States manager Phoenix of London; A. T. Bailey, San Francisco; C. E. Case, assistant United States manager North British & Mercantile; F. B. Luce, vice-president Providence Washington, and Victor Roth, president Security of New Haven.

(CONTINUED ON PAGE 8)

Fire Managers Scout Idea of Branch Office Trend

WON'T REPLACE AGENCY PLAN

Cost of Such a Program and Other Difficulties of Extending That Basis of Operation Reviewed

NEW YORK, July 1.—Local agents appear to be largely exercised just now over what they fear is a determined effort on the part of fire companies to substitute the branch office method for the American agency system. Reference to this reputed trend has been made at various state association gatherings in recent months and it was covered at some length by President P. H. Goodwin of the National Association of Insurance Agents in his address at the annual convention of the New England associations at Poland Spring.

Company officials scoff at the suggestion that the branch office is ever likely to displace the present agency method generally, asserting that while it might be possible to maintain branches in such centers as Boston, Philadelphia, Chicago, St. Louis, New Orleans and San Francisco, the cost of extending the program to smaller communities would be prohibitive, and for that reason, if for no other, its adoption is out of the question.

Difficulties in Plan Reviewed

It is noted that aside from the cost of renting an office the engaging of a competent staff would run into large figures and few companies except those of first magnitude would be able to bear the load. The creation of a branch office also means the employment of scores and perhaps hundreds of solicitors, many of whom, having no permanent interest in the business, would have no hesitancy in submitting risks of indifferent character, the underwriting of which would have to be done by salaried employees. The question of collecting premiums paid to these part-timers offers a further difficulty that compelled one company not long ago to close one of its branches in the far west.

There is no analogy, managers assert, between the practice of fire companies in their field operations in Great Britain and in the United States. Companies on the other side never have adopted the agency system, which is peculiar to this country and on the whole admirably suits conditions here.

Flickinger Is President of the Grain Association

CONSTITUTION, BY-LAWS PASS

Reporting Form of Cover Commendable—Concrete Construction Formula Dropped—Clark Vice-President

W. B. Flickinger, assistant western manager North America, Tuesday was elected to the newly created position of president of the Underwriters Grain Association. A constitution and by-laws were adopted putting the Grain Association on a new basis. Mr. Flickinger had been chairman of the executive committee which heretofore has been the highest executive post. He retains that job as well as president.

H. A. Clark, western manager Firemen's, is the new vice-president and ex-officio member of the executive committee. Other executive committee members are A. F. Powrie, Fire Association; W. N. Achenbach, Aetna; J. F. Stafford, Sun; B. M. Culver, America Fore, with E. A. Henne of that organization, as alternate; Lyman Candee, Globe & Rutgers, with A. O. Burdick, Rollins, Burdick & Hunter, as alternate.

R. J. Donovan Secretary

Secretary is R. J. Donovan and treasurer A. J. King. Attorneys are W. L. Lerch, manager Grain Association; C. F. Thomas, manager Western Underwriters Association, and F. C. Schad, manager Western Insurance Bureau.

In his annual report Mr. Flickinger declared that adoption of the reporting premium adjustment form was "most timely." It has held many risks, he said, among which was the business of the Grain Stabilization Board. About 300 contracts have been issued under this form, according to Mr. Flickinger, and approximately 60 percent of the Grain Association's income is now written under reporting plan.

Mr. Flickinger said that the executive committee had devoted much attention to the question of valuation of old style elevators for the purpose of developing some formula for arriving at values and adjustments based on concrete construction. "At the outset," Mr. Flickinger declared, "it was conceded by engineers that the cost of concrete construction for work houses and small storage houses will equal or exceed that of frame so the inquiry was narrowed to storage buildings of larger capacity."

All Risks Reviewed

"A review of all risks on our books developed the fact that the insurance per bushel capacity ranged from 6½ cents on a large purely warehouse risk to 19½ cents on a 1,000,000 bushel storage house with its equipment, the majority ranging between 12 cents and 15 cents as against a minimum estimate of 18 cents to 23 cents for concrete construction. Moreover, equipments and consequent construction differ so widely that it was found impractical and undesirable to impose on the companies a concrete yard-stick which would in a great majority of cases bring about results directly contrary to those we seek. We have, therefore, concluded that the application of any concrete construction replacement rule is impossible. Our only safeguard is careful scrutiny and conservative underwriting of all risks which may appear to be carrying a larger amount of insurance than conditions justify."

The matter of Lloyds' excess cover for the ensuing year has been the subject of negotiations, Mr. Flickinger asserted. More favorable rates or a contingent contract for such of the members who avail themselves of such cover is being sought.

C. A. Cooley, for more than 45 years an adjuster of fire losses throughout New England, died in Marblehead this week aged 76 years. For the past ten years he had resided in Hartford.

CONDENSED NEWS OF WEEK

Cooperation on mixed agency issue in south expected to bring about solution of problem. **Page 3**

New York ultimatum cuts down rate and rules violations. **Page 3**

Percy H. Goodwin reviews various abuses of business in Poland Spring speech. **Page 5**

National Board gets behind railroads' application for rate increase. **Page 6**

Regional meeting of Western Insurance Bureau field clubs held at Lake Wawasee, Ind. **Page 5**

New Sears-Roebuck carrier explains automobile insurance in simplified terms. **Page 4**

Steps taken to improve automobile theft situation in Chicago. **Page 6**

Firemen's group of companies returns to the advertising columns of the "Insurance Field." **Page 6**

Use of rates to be fixed by Bureau of Personal Accident & Health Underwriters and certain policy clauses made mandatory on members. **Page 33**

Increases are made in automobile liability and property damage rates in five states. **Page 34**

Ohio insurance interests are very much gratified at the outcome of the annual meeting of the Ohio State Automobile Club at Cedar Point last week. **Page 18**

Disturbing situation develops in surety business with heavy depository bond losses and loss of substantial premiums on allied bank lines. **Page 34**

Chicago casualty situation seems to have a brighter outlook in view of contemplated new organizations. **Page 34**

Lavish workmen's compensation awards by state commission cited in hearing on petition for workmen's compensation rate increase in Oklahoma. **Page 35**

J. W. Marden, manager of the New York Plate Glass Service Bureau, gave the final lecture in the plate glass series in New York. **Page 35**

Meeting was held in New York to discuss the situation with regard to depository bonds. **Page 33**

Commonwealth Casualty of Philadelphia takes over the Independence Indemnity and Liberty Surety Bond of Trenton, N. J. **Page 33**

Governor Pinchot of Pennsylvania attacks the administration of the state workmen's compensation fund. **Page 35**

Goodwin Hits at Current Abuses

Goes Far Beyond Scope of Prepared Address to New England Agents

MANY TOPICS REVIEWED

Credit Evil, Wholesale Insurance, I. U. B., Prudential Plans, Stock Selling and Rate Cutting Discussed

President Percy H. Goodwin of the National Association of Insurance Agents, in a dynamic two-hour speech at the meeting of the New England Associations of Insurance Agents at Poland Spring, Me., touched off the fireworks on a number of topics of vital interest to agents, going far beyond the scope of his prepared address, which dealt primarily with the branch office question.

In discussing the credit situation President Goodwin came out in favor of a modification of the agency qualification law to include authority for insurance commissioners of every state automatically to suspend for six months the license of any agent more than 60 days behind in his balances, it being compulsory for companies to report to the commissioners all such cases of overdue balances.

Criticizes Reinsurance Practices

He criticized companies taking reinsurance from non-board companies which their agents could not represent and declared the situation most inconsistent, at least. He showed a printed list of four pages, giving the names of companies which carry such reinsurance.

The National association has been active in killing wholesale insurance plans, he said, and will continue the work. A most recent example (Eastman Kodak) was named and he promised it would be attended to when he got back to New York.

Covering employees' groups on the fleet basis was roundly scored. President Goodwin quoted a letter from the Pacific Coast manager of an eastern casualty company declaring the company would not write employees' groups. He also produced a circular letter sent out a short time after from the same company soliciting employees' group coverage from federal employees and followed it up with a circular letter from the United States Treasury Department in which the latter approved and endorsed the plan of the company for federal employees' groups and recommended all employees to avail themselves of the opportunity at the reduced rates.

Raps I. U. B., Prudential Deal

Mr. Goodman paid his respects to the Interstate Underwriters Board and said if its manager were not such a good fellow the National association would have caused the I. U. B. to pass out of the picture long ago. The National association was blamed for the existence of the board because of its laxity long ago. The agents were accused of having been asleep. It was prophesied that if the same practice continued the agents would eventually lose residential properties. The Prudential Life was mentioned as a company which had introduced a practice of taking care of coverage on foreclosed properties and the speaker pictured the future when a life company might form a company of its own to take care of such coverages.

(CONTINUED ON PAGE 15)

Cooperative Apartments Are Presenting Some Problems

NEW YORK, July 1.—An interesting situation has arisen in New York City in view of the large number of cooperative apartment buildings, concerning insurance. Where contracts for lease of these apartments are made there is usually a clause providing that all betterments and improvements made by the apartment owner become at once the property of the building company. Insurance taken out by the occupant of the apartment does not cover betterments and improvements as they are not his property. One of the interesting phases is the effect on the insurance where a building company originally takes out a sufficient amount to comply with the 80 percent coinsurance clause and then finds that owing to apartment holder making betterments and improvements the value of the building is increased and the insurance is insufficient. This would serve to reduce the amount of recovery in case of loss. Inasmuch as these improvements are being made from time to time, in order to play safe it would be necessary to have a valuation made.

Effect on Apartment Holder

Another problem concerns the apartment holder. If his apartment is badly damaged and the building company restores it to its existing condition the time of the lease governs and that would not require the restoration of improvements made by the apartment owner during his tenancy, some of which run up into big money.

Willard S. Brown, head of one of the large New York City agencies, suggests the insertion of the following clause in leases covering cooperatively owned apartments.

"Alterations, additions and improvements which may be made at any time

by the tenant in or about the apartment shall remain the property of such tenant until such time as the lease may be terminated, when all such alterations, additions and improvements that are permanent, structural, and not removable without material damage to the building, shall become the property of the lessor. All fire insurance policies covering the building of the lessor shall specifically exclude such alterations, additions and improvements made by and at the expense of the tenants until such time as ownership in said alterations, additions and improvements is, as above provided, vested in the lessor."

STEARNS TELLS CONDITIONS

BALTIMORE, July 1.—W. C. Stearns, Jr., head of the insurance department of Suttin, Glagden & Lynch of New York City, in a talk before the cooperative apartment division of the National Association of Real Estate Boards here, said that in some cases apartment owners may add features running as high as \$100,000 in cost. This adds greatly to the value of the structure. If the real estate companies increased the insurance to cover these costly extras their annual expense would be considerably augmented. There would be a duplication of insurance because it is found in a number of cases the apartment owner has taken out insurance to cover his improvements. Mr. Stearns said that because loans are made on the values of such buildings before such improvements are made, several fire companies, the New York Fire Insurance Exchange and New York mortgage companies have agreed to the use of an endorsement which disclaims any responsibility under the building insurance for owner additions no matter how expensive they may be.

President Hines of S. E. U. A. Names Executive Committee

ATLANTA, July 1.—President J. H. Hines of the Southeastern Underwriters Association has announced the new executive committee of that association. The new committee faces many difficult problems and will hold a midsummer session in Asheville some time in July. The exact date is to be announced later. The all-absorbing question of mixed agencies will be among the first of the subjects for consideration by the new committee.

The president of the S. E. U. A. automatically becomes chairman of the executive committee and Mr. Hines has named as his co-workers B. M. Culver, Continental, vice-chairman of the committee; Harry R. Bush, Dixie Fire; W. Ross McCain, Aetna; Elliott Middleton, Sun; F. E. Burke, Home; A. R. Phillips, Great American; H. M. Anderson, National of Hartford; H. P. Whitman, Phoenix; A. R. Thomasson, North British & Mercantile; W. R. Prescott, Hartford, Atlanta; S. Y. Tupper, Royal, Atlanta; C. A. Bickerstaff, Fireman's Fund, Atlanta; Dowdel Brown, Commercial Union, Atlanta; R. B. Barnett, Fire Association, Atlanta; Ben I. Simpson, North America, Atlanta; A. H. Turner, Atlanta; J. W. Clarke, America Fore, Atlanta; E. N. O'Beirne, retiring president S. E. U. A. and manager Automobile, Atlanta, and Milton Dargan, honorary member. Mr. Dargan has for many years been identified with the activities of the S. E. U. A. and continues his interest in it, although for several years he has been identified with the local agency of Dargan, Venable & Whittington of Atlanta.

The usual dividend of \$1.25 per share was declared by the Fireman's Fund for the quarter ending June 30.

Wirth Elected Minnesota Fire Underwriter Head

MINNEAPOLIS, July 1.—E. F. Wirth, National, Hartford, was elected president at the annual meeting of the Minnesota Fire Underwriters Association here Monday. Other new officers are: Vice-president, R. L. Hanson, Liverpool & London & Globe, and secretary-treasurer, G. W. Wiik, America Fore.

Danek Retiring President

G. V. B. Hill, Globe & Rutgers; H. B. Lucky, Aetna, and J. H. Lewis, St. Paul Fire & Marine, were added to the board. Mr. Wirth succeeds O. L. Danek, who presided at the short business session attended by 67 state agents. The agents had as their guests two old-timers who have not been seen in Minnesota for many a moon. R. J. Jordan, former state agent Great American, who is now a customs collector in Nicaragua, happened to be visiting in the city and renewed acquaintance with his old friends at the session. The agents also warmly greeted W. M. Higley, who retired a number of years ago after a long service with Hanover. Mr. Higley came here from his home in Babson Park, Fla., for a visit.

Drop Buffalo Fund Plan

BUFFALO, N. Y., July 1.—The Buffalo city council has decided not to establish its own insurance fund, as has been urged by some of its members. Instead it accepted as of July 1 a program for coverage to the extent of \$62,000,000 on city property, over a period of five years, the premium being \$285,000. Members of the Buffalo Fire Underwriters Association will participate in the business.

Large Turnout at Bureau Gathering

Regional Meeting of Field Clubs at Lake Wawasee Attracts 132 Visitors

MANY OFFICIALS ON HAND

Agency Balances, Non-affiliated Competition and Separation Principal Topics —Fred Silber Prostrated

Real vitality and a fine spirit of friendliness were evident at the second regional meeting of Western Insurance Bureau field clubs at Lake Wawasee, Ind. There were 132 persons in attendance, including a number of company executives and 48 ladies.

The bureau plan of holding regional meetings for their field men has worked out so successfully, that executives of the organization are highly pleased and are committed to the principle.

One incident greatly dampened the enthusiasm of the meeting. Immediately after concluding his address at the banquet, Fred D. Silber, counsel for the bureau, collapsed. J. E. Amadon, Ohio special agent for the Ohio Farmers, took charge and under his direction Mr. Silber was revived. He recovered the next day and was able to be driven back to Chicago. The attack seemed to be the result of a combination of circumstances, Mr. Silber having driven from Chicago to Lake Wawasee, played 18 holes of golf and delivered the address. The heat is also believed to have been a factor.

Separate Meetings Held

On the first day of the meeting the seven field clubs represented held individual meetings. Most of the clubs were interested in the same topics—agency balances, non-affiliated competition, separation.

Carl A. Lofgren, Security of Iowa, was elected president of the Wisconsin Field Club. The vice-president is R. E. Hoskins, Firemen's, and secretary, C. P. Hall, Monarch. C. R. Chapman, Millers National, was the retiring president and presided at the meeting. He advocated bureau companies taking the initiative in separation in his state, declaring that the opposition companies have not been pushing the issue.

D. C. James, Firemen's, is the new president of the Michigan field club. The vice-president is A. A. Beckert, Standard of New Jersey and secretary K. J. Scott, Firemen's.

Harding Illinois President

J. T. Harding, Millers National, was elected president of the Illinois field club. Harry Wood, Dubuque F. & M., is vice-president; John Lind, Security of Davenport, secretary, and John Hon, Firemen's, treasurer.

Figures were read at the Illinois meeting, setting up that the bureau had fared well in separation in that state.

It was reported to the Illinois meeting that Fire Marshal Legreid had been approached on the question of cooperating with the bureau in getting out so-called "keep off" bulletins on bad risks.

L. W. Brown, Firemen's, declared that the companies should be more prompt in closing out notoriously delinquent agencies. He reported a survey, showing that in four states where chronic delinquents were suspended in wholesale fashion, that 2 percent of the premiums in those states were lost but that if the agencies had not been closed there would have been a 5 percent loss. He

(CONTINUED ON PAGE 14)

National Board Gets Back of Railroad Rate Increase

STRONG RESOLUTION ADOPTED

Executive Committee Cites Fact That Fire Companies Hold \$600,000,000 in Railroad Securities

NEW YORK, July 1.—The executive committee of the National Board at a meeting here threw the weight of the extensive railroad investments of the fire companies into the scales in behalf of the application of the railroads for an increase in their freight rates. A resolution adopted by this committee points out that members of the National Board hold approximately \$600,000,000 of railroad bonds and stocks, the investment rating of which is vitally dependent upon improved railroad revenues.

The resolution urges "that every effort should be made to improve railroad revenues; that the financial stability of savings banks, insurance companies and other institutions investing in railroad securities may not be impaired; that employment in the railroads and other industries dependent upon them for purchases of supplies may be maintained; that the railroads may continue to render to the nation's shippers the same high standard of transportation as heretofore."

It declares that the National Board "unqualifiedly supports the alternative proposal unanimously advanced by the executives of American railroads that freight revenues be increased by an amount sufficient to permit the railroads to survive their financial difficulties and contribute to the upward stimulus of industry as a whole."

R. R. Security Holders' League

Executives of a number of fire, casualty and surety companies met in New York with representative bankers, university executives and others and formed the security holders committee on the railroad emergency, its purpose being to aid the railways in their effort to secure from the Interstate Commerce Commission sanction of a 15 percent advance in freight rates.

The insurance members of the committee are: L. A. Harris, American Auto, St. Louis; C. W. Bailey, American of Newark; H. R. Hedge, Boston; Ernest Sturm, America Fore; H. R. Bush, Dixie; B. G. Dawes, Jr., Eureka Security; O. E. Lane, Fire Association; J. B. Levison, Fireman's Fund; H. M. Gratz, Girard; E. W. West, Glens Falls; C. W. Higley, Hanover; Charles Tyner, Home; Benjamin Rush, North America; R. L. Freeman, Lumbermen's, Philadelphia; J. S. Fisher, National Union; F. W. Sargeant, New Hampshire; C. V. Meserole, Meserole group; E. J. Coblenz, People's Fire, Frederick, Md.; Victor Roth, Security of New Haven; E. G. Seibels, South Carolina Fire; G. G. Bulkley, Springfield; J. L. Parsons, United States Fire; F. E. Nolting, Virginia F. & M.; Neal Bassett, Firemen's; H. A. Behrens, Continental Casualty; F. H. Burns, Maryland Casualty; T. J. Falvey, Massachusetts Bonding; E. S. Lott, United States Casualty; F. J. O'Neill, Royal Indemnity; A. F. La Frantz, American Surety; W. B. Joyce, National Surety.

National Guarantee Creditors

Creditors having claims against the National Guaranty Fire of Newark must present them to Fred Herrigel, Jr., and C. F. Lynch, 29 Cedar street, before July 16 "or they will be barred from the benefit of such dividends as may hereafter be made and declared by the court from the assets of the said corporation."

The American Equitable of New York has been licensed in Canada with J. A. Blondeau of Montreal as chief Canadian agent.

New Chairman of the Executive Committee



DAN C. BONEY, North Carolina

Commissioner Dan C. Boney of North Carolina, who becomes chairman of the executive committee of the National Convention of Insurance Commissioners, is a young man who has made a name for himself. He is a native of the state, having been born at Elkin, Dec. 6, 1895. He was educated at the University of North Carolina and practiced law for three years until 1925, when he became deputy commissioner, being appointed commissioner Nov. 15, 1927. He has a distinguished war record and is regarded as one of the foremost state officials of the day.

T. J. Callen, Jr., Has Joined Nurnberg Adjustment Co.

Thomas J. Callen, Jr., of Milwaukee, recognized as an authority on building and machinery appraisals, has been made secretary-treasurer of the Nurnberg Adjustment Co. of that city.

Mr. Callen is well known throughout the middle west and has been called in as a consultant by the companies on a number of important losses in the middle west. The Nurnberg Company will thus acquire a seasoned man whose acquisition will strengthen considerably its adjustment facilities.

Mr. Callen has been in the appraisal business since 1911. He is a graduate of Marquette University, and a member of the American Society of Mechanical Engineers. During his years as an appraiser he has acquired and maintained a valuable appraisal library which will be available to the entire Nurnberg organization.

Mr. Nurnberg is well known. He started adjusting work in 1913 and in 1916 formed his own company which has steadily grown. He is a company adjuster.

Changes in Swiss Re Group

P. Alther and E. Stebler were appointed joint general managers of the European General and Prudential Re-Insurance, at the general meeting in Zurich of the Swiss Reinsurance group. They succeed General Manager E. Hurlimann, who resigned to become a member of the board of directors and was appointed managing director of the two subsidiaries. Messrs. Hurlimann, Alther and Stebler now hold the same official positions in the subsidiary companies as they have occupied in the Swiss Reinsurance. The European General is a casualty reinsurer and the Prudential fire.

The Franklin National Fire has been admitted to Alabama with T. P. Hancock of Birmingham as agent.

Chicago Auto Theft Detail Revamped to Curb Losses

5,471 STOLEN IN SIX MONTHS

Independent Police Division Set Up—Thefts Compared with Other Cities, Detroit 596

In an effort to curb the excessive automobile thefts in Chicago, the automobile detail of the Chicago police department has been reorganized at the instance of insurance interests.

As an indication of the seriousness of the theft situation in Chicago, the first six months of this year there were 5,471 automobile thefts and 4,020 recoveries there. The great majority of the recovered cars, however, were so badly damaged by stripping that the losses were practically total. Compared with that record there is Detroit with 596 stolen cars and 558 recoveries; Minneapolis 193 stolen, 177 recovered; Louisville 77 and 70; Duluth 28 and 20; St. Paul 117 and 101; Kansas City, Mo., 473 and 404; Omaha 110 and 90; Cincinnati 204 and 135; Cleveland 263 and 219; Columbus 124 and 105; Dayton 76 and 58; Toledo 139 and 116; Oklahoma City 327 and 257; Memphis 147 and 104; Milwaukee 90 and 101; Denver 104 and 105; Indianapolis 218 and 185; Des Moines 76 and 66; Topeka 39 and 30; Kansas City, Kan., 110 and 86.

Recovery Ratio 75 Percent

The total thefts in the west during the first six months were 14,833 with 11,503 recovered, a recovery ratio of 78 percent.

The automobile detail in Chicago, which was a special department of the detective bureau, is abolished and a new division of the department is established with Captain Matthew Zimmer in command. The division is to operate as a separate and a distinct unit, the commanding officer being responsible only to the police commissioner.

In addition to the special stolen car division at headquarters, district commanders at precinct stations are to be instructed to assign two detectives exclusively to automobile work. Special men are to be maintained at headquarters to follow all cases through the courts. The complete assembly record of the Automobile Protective & Information Bureau, which is a branch of the Automobile Theft Bureau, is to be utilized and special direct police department telephone lines are to be installed between the automobile division and the theft bureau.

Praises Zimmer Selection

In a bulletin to members, E. L. Rickards, manager of the theft bureau, and manager of the western branch of the National Automobile Underwriters Association, declares that the selection of Captain Zimmer to head the new division is highly satisfactory.

The new arrangement was completed after conferences between a committee appointed by Acting Police Commissioner Alcock and Mr. Rickards, J. P. Coen, assistant manager of the theft bureau; and Fred J. Sauter, chairman of the theft committee of the information bureau.

One of the great difficulties in Chicago has been in connection with Ford cars. Insurance people believe that police have not been efficient in recovering that type of automobile, because some of the large companies have declined to pay a reward for the recovery of Fords. There has been a ring attacking Chryslers, stripping these cars and the matter of reward has also been uncertain with Chryslers. Under the new plan, it is hoped that the question of rewards will rest entirely with Mr. Rickards' bureau and will not be handled by the companies directly.

Firemen's Returning to the "Insurance Field" Columns

RAPPROCHEMENT IS MADE

Present Management of the Publication Not Responsible for Old Attacks on Company

The return of President Neal Bassett of the Firemen's group to the advertising columns of the "Insurance Field" ends a strained relationship that has existed since the famous Louisville Board controversy over the Fidelity & Columbia Trust Company appointment as Firemen's agents many years ago. At that time Fred J. Cox, who was president of the National Association of Insurance Agents, carried on a militant fight against President Bassett. A. G. Chapman, Louisville local agent, was the local contender. The late C. I. Hitchcock, then head of the "Insurance Field," took up the cudgels against President Bassett of the Firemen's, waging a hot fight. The Firemen's then retired from the "Insurance Field" advertising columns. The feud started and the "Field" drew out its artillery.

Bassett Refused to Contribute

When the Western Insurance Bureau published its famous advertisements during the separation fight with the Western Union, President Bassett refused to contribute to the "Insurance Field" or the Bureau's advertising arrangements with it. It was then decided to have all the Bureau companies except the Firemen's group bear the expense outside the Bureau's treasury and the Firemen's companies did not appear in the advertising, all the rest of the companies being mentioned individually. President Bassett contended that the "Insurance Field" was prejudiced in its position at Louisville and therefore would not give it recognition. The old-time bitterness has died. The principals in the battle outside of President Bassett are pretty much silent. There has been a rapprochement in recent weeks on part of the "Field." President Bassett evidently concluded that the present management of the "Insurance Field" was not responsible for the policy in years gone by and hence last week his page advertisement started in its columns. All have apparently now kissed and made up, although President Bassett has not receded an iota from the position he has taken all along.

Robert Shingler, president of the Lincoln Underwriters Corporation of Indianapolis, has just returned from an extensive western trip, including points on the Pacific coast, involving both pleasure and business. The Lincoln Underwriters Corporation is general agent of the Georgia Home for Indiana and Illinois.

Assured Makes Claim in a Self-Induced Tornado

W. P. Cecil, automobile adjuster attached to the Indianapolis branch of the Western Adjustment, reports a new angle to a tornado policy. The assured reported his windshield broken. On being questioned as to how it was broken, he stated that while driving about 50 miles per hour he attempted to open the windshield, and the glass cracked. Upon being advised that this particular kind of a loss would not be covered, he replied: "Well, I have tornado insurance; that's a tornado, isn't it?" Needless to say, the claimant was advised that the tornado policy does not recognize such a home-made variety of tornado.

AS SEEN FROM CHICAGO

HAIL INSURANCE RESULTS

Hail insurance companies are hoping that there will be no devastating storms in view of the sharp decline in premium income this year. So far in the southwest, up to Nebraska the wheat is well harvested. Premiums are off about 50 percent. This naturally runs the expense ratio higher because the companies geared their machines on a much higher basis. So far companies have escaped heavy hail losses this year.

INSURANCE STOCK COMMENT

Commenting on the insurance stock market situation, H. W. Cornelius of Chicago says:

"There was far more public interest shown in the general insurance stock market the past week than for several months, and the undertone was very firm. A number of issues sold higher and held the gain. Hartford company stocks showed the greatest improvement of any group."

F. J. MATRE'S CLAIM

F. J. Matre has filed a claim of \$34,380 against the defunct Marquette National Fire of Chicago on the contention that this amount is due him as overriding commissions on the European business of the company while he was its vice-president. Hearing on the claim is set for July 7. A. S. Keys, liquidator, has recommended that the claim be disallowed. The Union Bank of Chicago, to which the claim was assigned, has filed objections to the report of Mr. Keys and will appear in behalf of Mr. Matre.

CHARLES READ DIES AT 83

Funeral services were held Monday for Charles Read, head of Charles Read & Sons, well known contractor and repairer of fire losses for insurance companies, who died at his home in Oak Park at the age of 83.

Mr. Read went to Chicago from England shortly after the fire of 1871. He started his own business in 1888 and in 1908 his sons, W. L. Read and C. F. Read, were brought into the organization, the firm then taking its present name. Its offices are in 1828 Insurance Exchange.

OFFICES CLOSE IN HEAT

A number of the Chicago offices closed their doors and released their employes for the day about noon Monday and Tuesday because of the excessive heat. Among those which closed were the Western Underwriters Association, Rollins, Burdick, Hunter, National Fire and the Chicago Board.

LOSSES HAVE INCREASED

Within the last week or so companies operating in the central west state that

their losses have materially increased. May was a very good month for most companies. Very few had any complaint with their loss ratios up to the middle of June. Because losses have been light companies have shown an underwriting profit for the most part regardless of lower income and consequent higher expense ratio.

* * *

AUTO MEN'S OUTING

Earl Gibbs, automobile manager in the west for the Boston and Old Colony, captured the cup at the annual golf tournament and outing of the Automobile Superintendents' Club of Chicago. L. L. Sanders, National of Hartford, was the photographer and J. M. Japenga of the National Automobile Underwriters Association, was chairman of the golf committee.

* * *

PRENZLER WITH ASSOCIATED

H. F. Prenzler, who has been connected with the casualty department of Klee, Rogers, Loeb & Wolff, and Fred S. James & Co., in Chicago, has become special agent of the Chicago branch office of the Associated Indemnity and Associated F. & M.

* * *

OFFICIALS VISIT CHICAGO

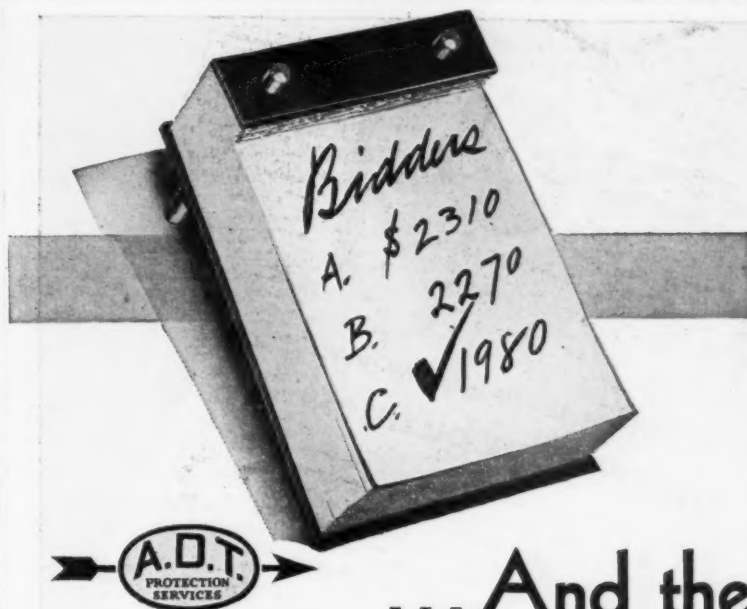
President C. W. Fellows of the Associated Indemnity and Associated Fire & Marine of San Francisco is at the Chicago branch for a number of days radiating from that city to various other western points. He is accompanied by Vice-President W. L. Wallace of the Associated F. & M.

* * *

BROKERS' QUARTERLY MEETING

The quarterly meeting of the Insurance Brokers Association of Illinois in the Chicago Board auditorium Monday turned out to be a celebration in honor of President F. P. Lavin who gave his time unremittingly to secure passage of the brokers' qualification bill and made many trips to Springfield where he lobbied skilfully. It was proposed and generally favored that a permanent legislative committee be named to keep in touch with all legislation affecting brokers. Another of the forward-looking projects of the association is organization of a national brokers' association, the matter being handled by Arthur Gallagher and L. T. O'Brien. Mr. O'Brien reported that brokers of other cities are looking to Chicago to take the lead. There seems every possibility that the association will be formed in good time and that Chicago will be the headquarters city.

G. M. Eddy gave a report on proposed increases in compensation costs to the insurer, Arthur Schwartz on proposed changes in compensation to be paid employes, D. R. Domke, executive secretary, told of the city's license problem and President Lavin told what the new qualification bill means to brokers. Carl Berger reported for the grievance committee that there have been few complaints. There has been some difficulty experienced in delivering fire renewal policies on property carrying loans held by banks. All brokers present indicated they had run up against this same thing and the matter is being considered by the Chicago Board. Gail Read, chairman legislative committee, suggested a permanent committee. F. E. Bracken, chairman publicity, told how the association kept in close touch with all the legislators by letter and telegram. John Slagle, chairman membership committee, reported at the last meeting there were 308 members, of which 83 were delinquent; and at the quarterly meeting there were 820 and only 55 delinquent. Treasurer John Shepard reported on finances and R. S. Throop, chairman auditing committee, gave his report.



... And the Low Bidder Made No Mistake

LAST WEEK, somewhere in your vicinity, a highly competitive insurance contract was signed. Perhaps you were a bidder—and lost on costs. Perhaps you even thought your competitor made a mistake.

But the fact may very likely be that your competitor worked with A.D.T. and submitted the same amount of insurance at a lower rate with A.D.T. Central Station Service. Perhaps he even figured a way to save on the watchman's payroll and effect other economies, as an extra attraction to secure the insurance.

If you don't work this out for your clients, someone else, some day, will.

A.D.T. is working daily with insurance representatives in all parts of the country. Why not visit the nearest A.D.T. office, or send for the Bulletins?

CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH COMPANY

155 SIXTH AVENUE - NEW YORK N.Y.

Some Companies Adopt Lay Off August Plan

A number of companies have instructed their field men not to go on agency trips in August unless there is something very important. It has been found in their estimation that traveling in August is a waste of time, as so many agents are away. It is a period when vacations are taken or trips are arranged so that it is uncertain whether an agent will be at home or not. Field men of such companies are requested to take their vacations in August and then spend the remainder of the time of the month at their headquarters dealing with their field by telephone or correspondence.

THE SATURDAY

...This year...more than ever...
insure your business

IF a fire were to sweep your store or factory tonight, work would stop until extensive repairs or rebuilding could be completed. Even though your property insurance were adequate to cover loss to buildings and contents, there would still be many heavy expenses during the period of idleness—salaries of essential employees, taxes, interest, branch office expense, etc.

Such heavy outgo with little or no income has been disastrous for many businesses and might be for yours.

If, however, you carried ALLIANCE Prospective Earnings Insurance,* all such expenses and even your expected net profit would be paid—exactly as though no fire had occurred.

Prospective Earnings Insurance* can be secured at very reasonable rates to cover Fire, Windstorm, Explosion, Riot, etc.

*Prospective Earnings Insurance is also known as Use and Occupancy Insurance and Business Interruption Insurance.

Ask your
ALLIANCE

ALLIANCE Agents
know this is a good year to sell
Prospective Earnings Insurance.



**THE
ALLIANCE INSURANCE COMPANY
OF PHILADELPHIA**

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

ATLANTA
8th Floor, Hurt Bldg.

Insurance Premiums Paid on the Installment Plan

ROYSTER UPHOLDS SYSTEM

President Pennyryle Finance Corporation Spoke Before Kentucky Association of Insurance Agents

President X. R. Royster of the Pennyryle Finance Corporation of Henderson, Ky., was a speaker before the Kentucky Association of Insurance Agents at Louisville on "Financing Insurance Premiums on the Monthly Payment Plan." He said that the installment plan is applied to many lines of business and has been taken up in insurance so that the purchaser can budget his earnings. The amount of premium must be included in the budget. The installment plan, he said, will increase the insurance carried. Mr. Royster said that he had 20 years' experience in general financing and for 10 years has been engaged in finance activities, purchasing deferred notes covering the sale of various commodities.

Use of Deferred Payment System

It has been his observation that under the modern wage or salary system almost every person has some kind of a budget arrangement. Almost everything with a selling value of \$25 or up is sold on the deferred payment plan, first, because it is much easier to sell on that plan and, second, it is easier for the average person to pay on that plan. For instance, 75 percent of the furniture last year was sold on the installment plan and 70.4 percent of electrical appliances. The New York Edison Company sold 40,000 electric refrigerators last year on time payments. It is estimated that 25 percent of all jewelry is sold on this plan. A large percentage of automobiles are purchased on this plan.

Life Companies Employ Plan

Life companies find it desirable especially in days like these to suggest quarterly premium payments and there are some companies writing on the monthly plan. The farm companies have installment payments. Some of the casualty companies have adopted the deferred payment plan.

Local agents, he declared, should study their clients and see if it would not be an accommodation for some to pay premiums on the installment plan and thus maintain credit on a much better basis. This has been done so successfully in the farm business that it could be ex-

Kansas City Agents

General Agency representing high class companies writing all lines of insurance will offer a wonderful set-up to local agency with substantial volume of business; including complete private office, telephone and stenographic services. Agent would operate independently. Address T-79, The National Underwriter.

Established General Agency in Texas, developing profitable sections, desires additional Fire Company to extend plant. Excellent past record for Companies now represented. Address T-80, The National Underwriter.

tended. He said that one farm company advises that nearly 40 percent of its total farm premiums written in 15 central western states is on the installment plan. In Kentucky the percentage is in excess of 90 percent.

Mr. Royster declared that it is estimated that from 25 to 30 percent of an agent's time is taken up with collections. He asked whether it would not be better if the same time, energy and expense could be devoted to soliciting new business or protection of the old. Many customers abuse the credit privilege. Many term policies are being renewed on the annual plan. The principal reason for writing these annual policies is the inability of the assured to pay the term premium at one time. If budgeted, the term premium could be paid. This would be an attractive point in soliciting. Mr. Royster declared that placing business on the monthly payment plan would be effective in combating mutual competition. Many flat cancellations could be eliminated and the number of not taken policies materially reduced.

Hold Joint Field Day

Thirty-two members of the Insurance Club of Chicago and the Burglary Underwriters Club attended the joint field day at the St. Andrews course near Chicago. Ray Erickson won first low gross and Jule Stewart, New Century Casualty, second. S. W. Skiple, manager Cook county department Seaboard, Yorkshire Indemnity group, won first low net and Roy Nortman of Nortman & Anderson, adjusters, second. E. S. Rappaport, assistant manager Pacific Mutual Life, won blind bogey. Prizes were donated by class 1 offices, including the New Century Casualty, New Jersey Fidelity & Plate Glass, Miles & Miles, W. F. Jacobs & Co., New York Casualty, Engelhard, Krogman, and Lunde & Buswell.

Extends Marine Department

MONTREAL, July 1.—The North America is extending its lake marine department in Canada. R. V. Mills, in charge of this department, will reside in Winnipeg during the shipping season.

Ives Heads National Board New Executive Committee

(CONTINUED FROM PAGE 4)

Selection of Mr. Ives as chairman of the executive committee puts him directly in line for the vice-presidency and later the presidency of the National Board, such being the official succession almost invariably followed by the organization. It is customary to continue the president in office for two successive terms, which means that Mr. Ives in all probability will reach the premier post four years hence. P. L. Haid, now vice-president, it is taken for granted, will succeed Mr. Bailey as chief executive in 1933 and still assuming that Mr. Haid in turn will hold the presidency for two years, Mr. Ives should be the chief officer in 1935.

Aside from the election of its chairman for the new year the most important action taken by the executive committee was giving its unqualified endorsement to the appeal of the officials of the railways for an increase in freight rates, the fire underwriters taking the same attitude in such connection as did the life company executives and the bankers in joint session some days previously.

INSURANCE STOCKS

Bought, Sold, Quoted — Inquiries Invited

H. W. CORNELIUS & CO.

105 So. La Salle St. - - CHICAGO, ILL.
TELEPHONE, RANdolph 9168

Cheaters Deterred by N. Y. Ultimatum

(CONTINUED FROM PAGE 3)

with the companies with a view to considering amendments.

Properly conducted fire insurance companies are incensed at the rate-cutting institutions, holding that through such practices it is difficult to secure rate increases on classes known to be generally unprofitable. Commissioners, when confronted with appeals to sanction advance tariffs, counter with the statement that if the published rates were collected the loss record would tell a different story; at least the loss ratio would be modified in some degree.

New England Blue Goose Elects

BOSTON, July 1.—The annual meeting of the New England Blue Goose resulted in the election of the following: Most loyal gander, B. F. Freeman, Globe & Rutgers; supervisor, F. J. Brady; custodian, P. E. Nute; guardian, A. J. Weed; keeper, Joseph Atwood; wielder, H. V. Thayer. F. F. Porter, who completed his year as most loyal gander, was named delegate to the grand nest.

LOSS ON UNSPRINKLERED SECTION OF A PLANT

Loss men are interested in the report on the fire of the Gooch Milling Company of Lincoln, Neb. It is stated that the amount will run between \$100,000 and \$125,000. The first started from motor friction in the drying room of the macaroni department. It spread to the bakery. There were over 60,000 pounds of macaroni burned. This department was not sprinklered but the rest of the plant was equipped. The owners felt that the fire hazard was so small in this section of the plant that there was no justification in going to the expense of equipping it.

S. M. LA ROSE IS DEAD

S. M. La Rose of Peoria, state agent of the American Central in Illinois for some years and more recently representing all the Commercial Union group in central western Illinois, died this week from heat prostration. He was an old time field man and for many years traveled for the Aetna and later for the Central States Fire.

Registrar of Motor Vehicles

BOSTON, July 1.—M. T. Ryan, one of the governor's assistant secretaries, is appointed to be registrar of motor vehicles, succeeding Major Parker, who resigned last March. Mr. Ryan has never owned an automobile. He is 33 years of age and is graduate of Boston Latin school, Boston College and had one year at the Harvard law school, and later graduated from the Boston University law school, being admitted to the bar in 1927. He has been an unsuccessful candidate for several public offices, but has always been a good vote getter and he was active in Governor Ely's campaign for office.

Eipper With St. Paul

Lester B. Eipper has been named special agent for the marine department of the St. Paul Fire & Marine with headquarters at Kansas City. He will cover the southwestern states. Mr. Eipper formerly was in the marine department of the North America.

Mehorter Heads N. Y. C. Pond

S. A. Mehorter was advanced from supervisor to most loyal gander of the New York City Blue Goose at its annual meeting succeeding E. A. McCaskie. The new supervisor is L. A. Watson, New Jersey schedule rating of-

fice; custodian, T. B. Donaldson, Eagle Fire; guardian, R. S. Kissam, Travelers; keeper, Clarence Axman, "Eastern Underwriter"; wielder, M. C. W. Buchenberger, Underwriters Salvage. Mr. Mehorter and Mr. Buchenberger were elected delegates to the grand nest meeting with Mr. McCaskie and Mr. Donaldson as alternates.

STRONG OPENS AGENCY

O. G. Strong of Cleveland, who recently retired as vice-president of the James & Manchester Co., and who is well known as one of the prominent insurance men of the city, has opened his own office in 816 Union Trust building, Cleveland, operating under the name of the O. G. Strong Insurance Agency. He will handle all lines of insurance.

Paper Company Goes Stock

Report that the International Paper & Power Co. has placed its entire fire insurance line with the stock companies has been confirmed. That industry heretofore has placed its \$150,000 of insurance in the Associated Factory Mutuals. The deal is reported as being handled through Russel, Fairfield & Ellis of Boston. Plants in the east and south are being written by the Factory Association and in the middle west by the Western Factory.

W. D. Law Named Manager

W. D. Law has been appointed manager of the Grain Insurance & Guarantee manager. Mr. Law is vice-president of the Insurance Underwriting Company, which has managed the Grain Insurance & Guarantee and also operated the Ryan agency, brokers of Winnipeg.

Hook in Charge in Maine

BOSTON, July 1.—Secretary Ralph Sweetland of the New England Insurance Exchange announces the appointment of Walter E. Hook as assistant manager to have charge of the supervision of the fire rates for Maine, to reside in Portland. The rates in that state have formerly been handled by territorial committees. Mr. Hook has had some ten years' experience in the Exchange and before that in the west. Mr. Hook will divide his time between Portland and Bangor.

Vermont Agents' Meeting

The 25th anniversary meeting of the Vermont Association of Insurance Agents is to be made a gala event and the date and place have been fixed for Sept. 22 next at Barre, Vt. T. C. Cheney, of Morrisville, Vt., president, is most active in his efforts to provide an interesting program and many special features are anticipated.

Reaffirm Fleet Stand

NEW YORK, July 1.—Directors of the National Automobile Underwriters Association at their gathering here Tuesday reaffirmed the attitude of the body toward fleet risks, and will notify all company members that lines written in violation must be corrected at anniversary dates, or in any event not later than July 1, 1932. In states where rate and rule formulas have been filed corrections, of course, must be made at once, any office in violation having assumed such liability on its own account.

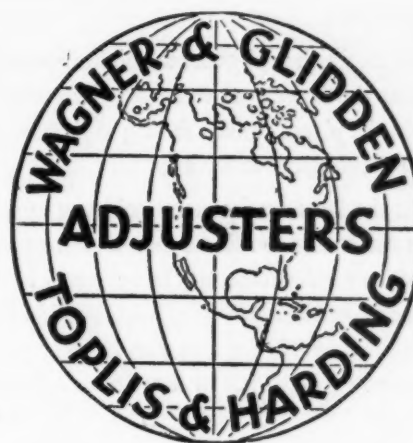
Death of H. L. Hjermstad

H. L. Hjermstad, president of the Citizens Fund Mutual Fire of Red Wing, Minn., died there after a heart attack. Mr. Hjermstad was 70 years old. He was an enthusiastic sportsman and for years had been prominent in the civic life of his city.

Write The National Underwriter, Cincinnati, for "The Value of Knowing," a free booklet on property insurance.

SERVICE UNEQUALED

ALL OVER THE
WORLD



An organization of specialists in the handling of all claims, including—

AUTOMOBILE — AVIATION — USE & OCCUPANCY—FIRE—TORNADO—RENTAL — SPRINKLER LEAKAGE—FURS—JEWELRY—ALL RISK BURGLARY — LIVE STOCK — BLANKET BONDS —RADIUM—FINE ARTS.

CHICAGO — NEW YORK — PHILADELPHIA
LOS ANGELES—SAN FRANCISCO
MONTREAL—LONDON—MANCHESTER
STRASBOURG—ANTWERP—GENOA
ALEXANDRIA—CAIRO—SHANGHAI
PARIS—MARSEILLES—NICE

Represented in every principal city in the world

Question and Answer Column

All are invited to send in their problems: they will be given our most careful attention.

QUESTION: A flower pot standing on the window sill of a tenant in an office building, falls and strikes a passerby causing serious injuries. Is the owner of the building liable or the tenant?—A. W. T., Camden.

ANSWER: The tenant, being in possession of that portion of the owner's building from which the flower pot fell, would doubtless be held answerable in damages to the injured person, it being a general rule that such possession relieves the owner from responsibility for injuries to third persons resulting from the condition or use of the leased premises.

To establish negligence the plaintiff would have to prove that the flower pot fell from the tenant's window and that he placed it there failing to provide adequate means to prevent it from falling.

As the facts are frequently obscure in such accidents, it is reasonable to assume that in such an action the owner and several tenants might be joined as defendants and each should be provided with liability insurance which would furnish the necessary defense and also pay the judgment on behalf of that defendant held liable by the jury.

QUESTION: I am going away for an extended vacation this Summer. Are there any changes necessary in my insurance policies?—T. McR., Albany.

ANSWER: The chances are that no special endorsements will be required on your policies: practically all Fire and Windstorm forms include permit for at least six months' unoccupancy, and Burglary policies grant four months. We suggest, however, that you notify the police before leaving.

However, if you are taking household articles or clothing of considerable value with you, and you carry Burglary Insurance, but not Personal Effects, specific Burglary Insurance will be required at your Summer address—your Burglary policy covers only in your permanent residence.



Capital \$6,687,480

Incorporated 1846

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GOLF CLUB STATISTICS

One in every 185 persons in the United States is a member of a golf club, the total membership exceeding 661,550 according to the research department of the Continental and Fidelity-Phenix Fire, which has concluded a survey made in connection with the various liability and accident hazards involved in the operation of golf clubs and in the playing of the game.

It was found that the 5,000 golf clubs are a factor of some importance in the present economic situation, since they give regular employment to more than 50,000 persons, in addition to the hundreds of thousands of caddies who are on a part-time basis.

The investment in golf club properties is estimated to be in excess of \$500,000,000, and last year about 14,000,000 golf balls were produced in domestic factories, the number being somewhat smaller than the total for 1929.

The largest number of golfers is found in New York, its total being 63,149, or one in every 199 residents. Pennsylvania has 56,680, or one in every 164 inhabitants; Illinois 49,884, or one in every 152; California 49,410, or one in every 115, and Ohio 36,052, or one in every 184. The total for Massachusetts is 35,053, or one in every 121, while New Jersey reports 26,126 golf clubs members, or one in every 154 persons.

The membership rosters vary from the exclusive nine of the Osceola Country Club—a nine-hole course in Nebraska—to the 5,000 reported by the Olympic Golf & Country Club near San Francisco. The Penn State Golf Club has 4,000 members. The Dearborn Country Club, with an 18-hole course and a membership of 400, is owned by Henry Ford.

COMMEND THE HUPP PEOPLE

The New York State Association of Local Agents has sent to the president of the Hupp Motor Car Corporation copy of the resolutions passed at the annual meeting commending its action in deciding to place all its insurance in stock companies. The Hupp people have received thousands of letters from stock insurance people all over the country. About a year ago the Chrysler Motor Car Corporation changed to mutuals. Local agents of stock companies have bombarded the Chrysler people during the year with letters of protest.

DEALING WITH INFRACTIONS

The extent to which high company executives are cognizant of rate or rule violations by their subordinates is a question. Some of the high pressure offices keep purposely in the dark, and when confronted with evidence of improper practice, express amazement, promising to make "immediate investigation." Other managers with a keener sense of their responsibility make it very emphatic to their staffs that while eager to obtain all possible income upon the right class of risks, rule or rate evasions under whatever plea will not be countenanced, and the party guilty of such infractions will be harshly dealt with. Indeed one important executive requires the divisional heads to sign a written pledge each year, that all governing regulations will be obeyed to the letter.

WILL VISIT NEW YORK OFFICE

Following his visit to the chief Canadian representatives of his company, W. W. Otter Barry, head office general manager and secretary of the Sun, will visit New York to go over underwriting and general business conditions here with Manager O. Tregaskis. Mr. Otter Barry is no stranger to the United States, having been here several times in recent years.

TWO PESSIMISTIC CENTERS

New York City and Chicago, said a fire company manager newly home from

a trip which took him as far as the Pacific Coast, are the two most pessimistic centers in the country just now. Residents in other sections, while admitting that general business conditions are far from being what they were formerly, yet assert that they are not as bad as they might be. The attitude of the New Yorkers and those living in Chicago, the official offered, is induced partly by the fact that they are in too close touch with financial markets, and are watching stock fluctuations guided in their opinions as to industrial conditions overmuch by ticker quotations. Again he averred, New Yorkers particularly have been accustomed to general prosperity. Depressions in agriculture and in sectional industries do not affect them directly, hence their inability to stand the pressure of a nationwide depression, and their present proneness to complain overmuch because of it.

That the citizens of Oklahoma City, for example, have confidence in the future prosperity of their community and of the territory tributary to it is attested by the erection of two fine 30-story office buildings and two thoroughly up-to-date hotels now under way.

REFORM GROUP NAMED

A sub-committee has been appointed to assist the special committee appointed by the New York fire insurance rating organization to help the New York department in the elimination of rate deviations and other abuses in the fire field. The sub-committee is assigned to deal specifically with matters which were brought to the attention of the special committee by New York department officials at the conference held June 11.

The sub-committee consists of Paul L. Haid, Continental; Wilfred Kurth, Home; Lyman Candee, Globe & Rutgers; J. O. Platt, North America; W. H. Koop, Great American; W. J. Reynolds, American Equitable, and E. J. Sloan, Aetna.

ART FRAUD PUNISHED

Victor Rosso was found guilty in United States district court in New York of perpetrating a scheme to defraud the Great American and the Home of New York out of \$266,000 in the burning of paintings, claimed to have been masterpieces, but proved in court to have been copies of post cards. The evidence disclosed Rosso to have been a fanciful plotter. He was convicted on ten counts, each of which carries a possible penalty of five years.

NATIONALIZATION PROJECT

A special cable to the New York "Times" declares that "a plan to bring all insurance companies operating in Great Britain under state control and to nationalize the whole life and domestic insurance business, according to the 'Daily Express,' has been formulated by a special joint committee representing the Parliamentary Labor party and the Trades Union Congress.

"A project to give a complete monopoly in insurance to a public corporation at the cost of billions of dollars, it is said, will be brought before the annual conferences of both the Labor party and the Trades Union Congress, and, if it is ratified by them, the government will doubtless be urged to bring the necessary legislation before Parliament.

"The Laborite view is that the profits in the insurance business are too big, and it is suggested that the earnings of a corporation with a directorate composed of representatives of the companies taken over and government nominees should be limited to 5 percent. There are more than 250 insurance companies operating in Great Britain, the majority in flourishing condition. The Prudential's 'A ordinary' \$5 shares, for

example, are now quoted at more than 115."

While none of the British company managers here have any knowledge of the subject other than that contained in the dispatch, all express confidence that the taking over of the insurance business by the British government is unthinkable. The British people are among the most conservative on the globe, and possess a high sense of the sanctity of private business. Australia, New Zealand and other sections of the empire have experimented with governmental insurance and with lamentable results. In the light of this fact, the proposal of the labor element in London is not likely to meet with favor if seriously offered in Parliament.

Fire Prevention Activity Is Urged on Railroad Men

Agents and brokers handling railway accounts have been urged by C. N. Rambo, manager of the Railway Insurance Association to impress on their clients the need for exercising extra vigilance as to fire prevention in times of general business depression. "Fires of unknown origin," Mr. Rambo says, "are the direct result of carelessness and fires of this class are on the increase. Losses experienced during a period of reduced revenue are relatively of greater severity, when the insurance carried fails to cover the loss or where there is no insurance. A partly insured risk, when subject to total loss, carries in its wake not only a property loss but a series of consequential losses as well, resulting in reduced facilities, the withdrawal of funds from other sources to cover the loss, or indemnity deficit, etc." There never was a time, Mr. Rambo concludes, "when the railroads needed complete indemnity against losses as they do now."

The Great National of Baltimore is now licensed in New Jersey for fire insurance.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of June 29

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	71	76
Aetna Fire	10	2.00	46	48
Aetna Life	10	1.20	46	48
Agricultural	25	4.00	85	95
Amer. Alliance ..	10	1.60	24	26
Amer. Equitable .	5	1.20	24	26
American, N. J. .	5	1.00	15	17
Amer. Surety ...	25	6.00	56	60
Automobile	10	1.20	26	28
Baltimore Amer. .	5	.80	11	12 1/2
Bankers & Ship. .	25	3.50	95	105
Boston	100	16.00	475	500
Brooklyn	5	1.20	9	11
Carolina	10	1.50	24	26
City of N. Y. ...	100	16.00	225	250
Continental Cas. .	10	1.60	27	29
Continental	10	2.40	38	40
Fidel. Phenix ...	10	2.60	42	44
Fireman's Fund. .	25	5.00	82	84
Fireman's F. Ind.	26 1/2	30
Firemen's Ins. ...	10	2.20	23	25
Franklin	5	1.60	24	26
Glens Falls	10	1.50	41	44
Globe & Rutgers.	100	24.00	550	580
Great Am. Fire. .	10	1.60	27	29
Great Am. Ind. ...	10	...	16	18
Hanover	10	1.60	32	34
Harmonia	10	1.50	22	24
Hartford Fire ...	10	2.00	56	58
Home F. & M. ...	10	2.00	28	35
Home, N. Y.	10	2.00	30	32
Homestead	10	1.00	16	19
National Cas. ...	10	1.20	15	17
National Fire ...	10	2.00	51	53
National Liberty .	5	.50	7 1/2	8 1/2
National Surety. .	50	5.00	35	37
National Union. .	100	...	95	105
Northern, N. Y. .	25	4.00	65	75
North River ...	10	2.00	33	36
N. W. National. .	25	5.00	97	105
Occidental	10	...	17	19
Pacific Mut. Life .	10	2.40	50	...
Peoples National .	5	.50	5 1/2	6 1/2
Phoenix Ins. ...	10	2.00	62	64
Prov. Wash.	10	2.20	45	47
Travelers	100	22.00	760	780
U. S. Casualty ...	25	4.00	41	46
U. S. Fire	10	2.40	45	50
U. S. Mer. & Sh. .	100	16.00	275	300
Westchester	10	*2.50	38	41

*Extra dividend paid.

CHANGES IN THE FIELD

J. E. Cogley Leaving Field

Iowa and Nebraska Frelinghuysen Man
Returns to His Home in South Dakota

J. E. Cogley has resigned his connection with John K. Morrison and the Frelinghuysen group in Iowa and Nebraska to return to his home in South Dakota where he will devote his attention to land and other investments. Mr. Cogley formerly traveled for many years for the Crum & Forster group in Nebraska. His headquarters were at Omaha.

W. N. Haines

W. N. Haines, Illinois special agent for the Scottish Union, has resigned after four years with that company. Before joining the Scottish Union, Mr. Haines traveled for the Twin City, first in North and South Dakota and later in Illinois and Michigan.

The Scottish Union is preparing to

reorganize its middle western field, probably placing a supervisor over two or more states. A. W. Baxter is Illinois state agent.

Worth Farmer

Worth Farmer of Oklahoma City has been appointed state agent in Oklahoma for the Security and its affiliated companies, succeeding H. N. McCool. Mr. Farmer is state agent of the North America.

Lumbermen's Mutual Figures

The Lumbermen's Mutual of Mansfield, O., as of May 1 shows assets \$2,315,222, premium reserve \$1,328,501, permanent fund \$200,000, net cash surplus \$648,415.

Get Standard Marine

Finley Tucker & Brother of Jacksonville, Fla., general agents, will represent the Standard Marine. The Standard recently became a member of the Southeastern Underwriters Association.

Exposition of Insurance Advertising at Toronto

An exposition of insurance advertising will be a feature of the annual meeting of the Insurance Advertising Conference in Toronto next October.

In addition to exhibits of all phases of advertising, submitted by virtually the entire conference membership of more than 100 life, fire, casualty and surety companies, a foreign advertisers' section will display the efforts of the best advertising minds of insurance companies throughout the world. A number of trophies have been offered for various classes of advertising.

R. H. Pierce of the Aetna, chairman of the committee in charge of this phase of convention activity, has instituted another innovation in the form of an attractive conference year book and catalogue of the exhibit, in which the winners of awards will be listed, with pictures of the successful advertisements.

Non-Intercourse Warning

The Dallas Exchange has served notice on companies that its members will not transact business with carriers which have dealings with agents who are not members of the exchange.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital \$3,000,000

Surplus to Policyholders, \$11,159,491

INCORPORATED 1928

ANCHOR INSURANCE COMPANY

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Surplus to Policyholders \$1,563,657

The above Companies write:

FIRE

TORNADO

AUTOMOBILE

OCEAN AND INLAND MARINE

and their allied lines

FULL COVERAGE AUTOMOBILE INSURANCE

under Combined Policies with

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital \$500,000

Surplus to Policyholders \$1,671,770

FIRE
SPRINKLER LEAKAGE

TORNADO
AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

Are you establishing clients or victims?

Find out before they burn out . . .
recommend an immediate appraisal

*A Lloyd-Thomas Appraisal

Gladly, Mr. Scott.

"... and send 'Angles of Business' to the School of Commerce Library where it will be accessible to both students and faculty members."

Walter Dill Scott, President
Northwestern University

We thank you, Mr. Thorpe.

"I would like to receive 'Angles of Business' every month.
Thank you."

Merle Thorpe, Editor
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MEMPHIS
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Hazardless cleaning!

HELP your client avoid fire and explosion risks connected with the use of gasoline, benzine and naphtha, by recommending Oakite materials for their cleaning work. Wherever oil, dirt and grease must be removed, there's an Oakite material to do the job safely, thoroughly, at a fraction of the cost of distillates. Booklets which will help you in your advisory work, have been prepared on all sorts of cleaning tasks. A post card will bring them to you . . . at no cost.

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OAKITE PRODUCTS, INC., 54B Thames St., NEW YORK, N. Y.

OAKITE
Industrial Cleaning Materials and Methods

Crank Case Oil Drainings Used as Fuel Cause Fires

GARAGES BURN, SELL REFUSE

Inspection Bureaus Are Watching the
Hazard in Mercantile Establish-
ments, Dwellings, Garages

Use of automobile crank case oil drainings as fuel in oil burning furnaces of garages, mercantile establishments and dwellings has been blamed for several widely scattered fires throughout the country in recent months and the hazard is beginning to come to the attention of companies and adjusters. This oil is used pretty generally in garages, which have oil burning furnaces. When there is a surplus, beyond the needs of the garages, the crank case drainings are often sold to individuals or mercantile establishments. The popular charge seems to be about 2 cents a gallon for this oil, whereas the charge is about 8 cents for crude oil which is generally used.

Hazard Is Greater

Inspectors declare that crank case oil drainings are more hazardous when used for fuel than regular fuel oil. In some territories where inspection bureaus find crank case oil in use, an after charge of 3 or 5 cents is made, depending upon the conditions found.

Crank case oil is stated to be unsatisfactory as a fuel because of the sediment in such oil which may be small hard particles of carbon or steel cuttings. This sediment has a tendency to clog burners which permits a pressure to be built up in some burners and small explosions result which may lead to major explosions.

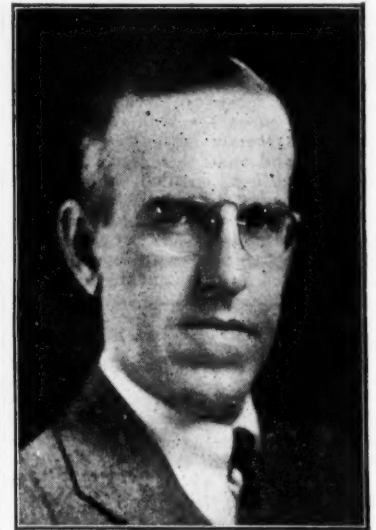
Lack of Uniformity

Another feature about crank case oil which is objectionable is the lack of uniformity. Some deliveries will contain a high percentage of light oil, including highly volatile combustibles, and some will contain heavy oil. The average approved fuel oil burner will not adjust itself to variations in the physical properties of the oil, but must be adjusted manually, and under such circumstances there is a tendency to wait until trouble develops before adjustments are made.

Fuel oil to be satisfactory must be of uniform grade and when the burner is adjusted to one grade it is not advisable to change to another.

Some of those who have been watching this hazard believe that the solution is to include among the warranties of insureds with oil burners that only a certain grade of fuel oil will be used.

Committee Head



LANGDON C. QUIN, Atlanta

Langdon C. Quin of Atlanta, Ga., a member of the general agency firm of Hurt & Quin, who was recently appointed chairman of the executive committee of the American Association of Insurance General Agents, started in the business in his father's local agency at Washington, Ga., in 1905. He became associated with the home office of Columbia Fire of Athens in 1909. He was elected secretary following the death of H. C. Stockdell. The Columbia Fire reinsured in the North British in 1915. Mr. Quin then moved to Atlanta and entered the general agency business. He is a director of the Fulton National Bank of Atlanta and the Georgia Home. He is a member of the executive committee of the Southeastern Underwriters Association and a member of the southern committee of the National Automobile Underwriters Association. Mr. Quin's wife is a daughter of Insurance Commissioner Caldwell of Tennessee.

National Hail to Broaden Scope

Directors of the National Hail, Omaha mutual, have called a meeting of policyholders for July 18 to vote on an amendment to change its name to the Nebraska National Insurance Company and allow it to write full cover automobile insurance. These changes have been approved by the Nebraska department. P. F. Zimmer, secretary-treasurer, says so many policyholders have asked about automobile insurance since the passage of the motorists' responsibility law that this step has been decided upon.

Question F. C. Snapp's Figures

DIXON, ILL.—To the Editor: We were very much amused upon reading Fred C. Snapp's cubic foot estimate on the cost of dwellings and barns in the country. We have recently completed the building of a house to replace one which was destroyed by fire, using only a portion of the old foundation size 22x28 feet, with 16 feet to the eaves, at a cost of slightly over 35 cents. The following are brief specifications:

The house has a front porch 8 feet square and a rear porch 6 feet square. The house has single quarter-sawn yellow pine floors and the trim is all yellow pine with all stock sized doors and windows. In lieu of doors between the dining room and living room is a plastered arch. The house has a wood shingle roof.

Together with the items above mentioned the house included the following: 1 kitchen cupboard, 1 disappearing stairway to attic, 1 kitchen sink and pump

installed, 1 furnace installed and ready for use, 2 coats of paint on exterior, 2 coats of varnish and filler on interior, all hardware and nails, all window and door screens, all cement and block work, which shall include 3 rows 8x8x16 cement blocks on top of old stone wall which will be cut down to grade. Point up old stone wall.

The house was built as cheaply as is possible to build a house, the carpenter labor costing from 40 to 75 cents per hour. The 40 cents was for common labor and 75 cents was paid to the two carpenters who did the carpenter work. This house was built in Lee county, Ill. Prices may be much lower other places but our experience has been that even the cheapest shacks could not be built for 10 cents per cubic foot as mentioned in Mr. Snapp's article, at least in this part of the country.

F. X. NEWCOMER COMPANY
Local Insurance Agency.

Premiums in Illinois for 1930 Were \$69,432,566

LOSSES PAID \$37,972,423

Home Leads, Followed by Hartford,
Aetna, National, North America,
American, Fidelity-Phenix

Net premiums received in 1930 on Illinois risks by all types of fire carriers totaled \$69,432,566 with losses paid, \$37,972,423. Illinois stock companies wrote \$911,487 with losses \$498,125; out of state, domestic stock companies wrote \$53,503,322 with losses \$29,866,524; foreign companies wrote \$9,124,954 with losses \$5,516,075; Illinois mutuals wrote \$903,352, losses \$427,834; mutuals of other states wrote \$3,868,162, losses \$989,652; Illinois reciprocals wrote \$56,875, losses \$4,183; reciprocals of other states wrote \$166,519, losses \$61,001, American Lloyds wrote \$572,063, losses \$248,158. London Lloyds wrote \$325,829, losses \$365,864.

The National Reserve, running mate of the Dubuque Fire & Marine, wrote the largest volume of Illinois companies. Its premiums were \$268,689, losses \$125,642. The Chicago Fire & Marine wrote \$262,448, losses \$107,352.

The premiums and losses of those companies of all classes writing more than \$200,000 in Illinois in 1930 follow:

Premiums	Losses
Home, N. Y.	\$2,561,899 \$1,572,259
Hartford	2,155,897 1,074,614
Aetna	2,045,272 1,171,378
National Fire	1,853,782 910,040
North America	1,829,988 992,489
American	1,648,223 881,246
Fidelity-Phenix	1,614,716 983,596
St. Paul F. & M.	1,433,726 792,524
Continental	1,347,726 885,897
Globe & Rutgers	1,183,381 624,347
Fireman's Fund	1,139,102 594,436
Springfield F. & M.	1,116,380 608,896
Commercial Union	1,034,790 491,272
Automobile	1,033,596 473,491
United States	943,568 544,442
National Union	756,505 638,684
Westchester	752,203 431,994
L. & L. & G.	728,496 369,330
Great American	703,944 455,293
Glens Falls	701,970 315,922
Fire Association	696,496 539,621
Phoenix, Hartford	672,374 345,155
Transcontinental	668,926 290,087
Milwaukee Mechan.	658,356 294,100
Security, Conn.	650,575 391,367
Northwestern Natl.	641,548 217,979
Niagara	614,272 408,778
Royal	607,207 460,066
General Exchange	596,270 202,761
New York Underw.	580,201 290,132
National Liberty	578,779 360,479
Hanover	562,183 291,484
Travelers Fire	538,354 204,482
Firemen's	530,982 271,568
Sun	511,032 217,785
Chicago Lloyds	509,219 224,234
Connecticut	502,967 248,267
Orient	465,285 159,395
Merchants, N. Y.	442,963 159,827
Pennsylvania	414,535 214,936
Providence Wash.	407,004 155,427
North River	400,771 283,393
N. British & Merc.	396,292 219,557
Atlas	393,439 232,968
Rossia	383,946 302,640
Girard	375,839 206,480
Queen	374,672 281,001
Philadelphia F. & M.	369,889 276,338
Agricultural	362,579 208,33
Dubuque F. & M.	357,029 192,758
London	355,768 216,400
London & Lancashire	346,297 163,042
Northern	340,855 148,676
International	331,205 290,645
Scottish Union	316,546 192,623
Alliance	310,250 157,942
Franklin Fire	299,265 155,219
Camden	292,073 172,814
American Eagle	289,817 190,849
Public	277,005 231,542
U. S. Merch. & Ship.	275,325 172,164
National Reserve	268,689 125,642
Prudential Re. & Co.	268,632 213,165
Chicago F. & M.	262,448 107,352
Urbaine	257,918 179,354
Mercentile	251,721 135,647
Commonwealth	250,807 146,042
Phoenix, London	248,227 143,694
Federal, N. J.	247,321 143,304
Caledonian	246,398 97,209
Northern	243,611 129,455
Fireman's Mut., R. I.	240,821 6,107
Tokio M. & F.	240,336 137,741
Rhode Island	239,764 178,448
Fidelity & Guaranty.	231,044 68,754
Knickerbocker	228,941 200,941
American Automobile	221,977 90,200
Boston	221,590 228,512
Swiss Re.	220,418 211,736
New Hampshire	209,679 114,678
Boston Mfrs. Mutual	209,430 3,334
Millers National	206,921 97,312

General Agents Hope for Profit in Economy Drive

MORE COMPANIES DESIRED

Believe Carriers Will Abandon Plan
of Special Agent's Supervision
in Certain Territories

General agents are watching the course of the companies in their economy programs with much interest. They feel that some companies may come to the conclusion that the general agency plan of operation is less expensive in certain territories than the system of assigning supervision and development to special agents.

Many general agencies would be glad to have additional companies in their offices to justify an increase in overhead, caused by the shrinkage in income from the companies now represented in their offices. The kind of company most general agents are looking for is one with a moderate business of say from \$45,000 to \$100,000 in their territory. There are so-called pups, which general agents might acquire, but these are not persona grata, unless

they already have something of an income from the general agent's territory.

General agents feel that they have the more economical plan of operation for certain territories, where distances between towns are great, where the section is remote from underwriting centers, and the agencies of a company are scattered. General agents are eager to discover just what the field supervision expense ratio is in companies operating directly through special agents. Some of them believe that this ratio runs in certain companies as high as 20 percent, with perhaps 12 percent being about normal for companies whose business in the territory has dropped from say \$140,000 to \$100,000 in the last two years. The general agents believe that they can shave this cost considerably and they are watching for any indication of favor from non-general agency companies.

Rose at Oklahoma City

OKLAHOMA CITY, July 1.—The biggest splash of the season for the Oklahoma Blue Goose was held Tuesday to pay honor to H. L. Rose, most loyal grand gander. Fourteen goslings were initiated, with F. C. Newcomer conducting the initiation ceremonies.

Heavy Loss Is Recorded on Shingle Roof Homes

Some of the companies that are watching carefully their dwelling house statistics and analyzing the losses find that the highest proportionate loss ratio comes from the unprotected dwellings with shingle roofs. The higher ratio between the protected and unprotected dwellings of the same class is quite noticeable. In some of the larger cities where there have been subdivision improvements outside the corporate limits, the loss ratio on shingle roof dwellings has been bad because there was no fire protection.

Memphis Agency Sold

The Security Insurance Agency, Memphis, Tenn., has been sold to the Whitfield King & Co. agency. The Firemen's of Newark and the Merchants & Manufacturers will not be transferred, as the latter agency represents only Western Underwriters Association companies.

FIRE ASSOCIATION OF PHILADELPHIA

THE RELIANCE
INSURANCE COMPANY

All of



VICTORY
INSURANCE COMPANY

Philadelphia

OTHO E. LANE, President

JAMES G. MACONACHY, Vice-President

CONSTITUTION INDEMNITY COMPANY OF PHILADELPHIA

OTHO E. LANE, President

FRANKLIN VANDERBILT, Vice-President and General Manager

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DEPARTMENTAL OFFICES

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C. S. KUHN, Vice President

COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS

Desirable
general agency
contracts
available in
unallotted territory

SAFETY
SATISFACTION
SERVICE

Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

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WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN
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GALVESTON
E. C. FRENCH, Vice President

Large Turnout at Bureau Gathering

(CONTINUED FROM PAGE 5)

declared that the credit terms of insurance are far too liberal. He pointed out that if the companies don't get their money, they will have to sell securities at depreciated value and he advocated the appointment of agents with some working capital, so that they will not be forced to live on extensions granted by the companies.

Dan T. Smith on Losses

Dan T. Smith, Milwaukee Mechanics, read a paper on losses and loss adjustments, pointing out that in former days special agents were concerned with this matter as they were with practically every other question in the field. Now the special agents, in the day of adjustment bureaus, have little to do with losses, but he urged that field men get copies of adjustments made by the bureaus and study them to discover the character of the losses which the various agencies produce. From that research, special agents can determine, he said, what agents can be recommended to handle small losses.

Mr. Harding urged cooperation among bureau members in reporting target risks. He said the Western Underwriters Association men are reporting these risks vigorously and unless the bureau is vigilant, its companies will get loaded with cast-offs of the W. U. A. He suggested the appointment of a committee to confer with a similar committee of the Western Underwriters Association on subjects which would be suitable for the two organizations to discuss.

Extra Commissions Attractive

F. W. Sullivan, assistant western manager Firemen's, declared that at this time when agents are complaining so widely of their plight, the extra commissions offered by Western Insurance Bureau companies are more attractive than ever.

The new president appointed an executive committee consisting of R. B. Evans, Northwestern National; John Knapp, Concordia; F. J. Breen, Standard of New Jersey; Harry Wood, Dubuque F. & M., and H. M. Sturgeon, Monarch.

W. C. Howe, Firemen's, had charge of the Ohio meeting as president of its field club. This was not the annual meeting of the Ohio club. The Ohio men decided in favor of getting from the insurance department a list of new solicitors appointed each month as well as the list of new agents. It was reported that two company groups were greatly increasing the number of appointments of solicitors in the larger cities, extending this practice beyond Cleveland and Cincinnati to Youngstown, Dayton, Toledo and Canton.

Ohio Auto Situation

J. C. Hiestand, assistant secretary Ohio Farmers, reported on the automobile club insurance situation in Ohio. He said he had been informed that Governor White is opposed to the arrangement by which the Cincinnati Automobile Club would act as agent for the Motorists Mutual. Mr. Hiestand left Wawasee for the convention of the Ohio Automobile Clubs at Cedar Point, Ohio, to which he was a delegate from the Lodi automobile club.

The Indiana meeting was presided over by G. S. Valentine, Jr., Ohio Farmers. This was not the annual meeting of that club. Kentucky and Tennessee had only two representatives each.

Mr. Valentine, as president of the Indiana club, presided over the general meeting of all the clubs the second day. Spokesmen from each of the clubs reported on the activities in his state. The principal address was delivered by H. A. Clark, western manager of the Firemen's and chairman of the Western Insurance Bureau, the summary of which appears in another column. Other officials who were called upon for remarks included F. H. Hawley, president; D. W. Crane,

Pickups at Wawasee Meet of Bureau Men

F. J. Sebastian, Indiana special agent Monarch, with a score of 86, was the low gross winner in the golf tournament at the regional meeting of Bureau field clubs at Lake Wawasee. The low net prize was captured by R. S. Danforth, superintendent of agencies Millers National, with a score of 72. Dan T. Smith, Firemen's in Illinois, won the blind bogey and C. A. Lofgren, Wisconsin special agent Security of Iowa, was given consolation honors.

The bridge winners were Mrs. O. B. Brown, Mrs. Ross Houck, Mrs. J. C. Hiestand, Mrs. D. B. Gamble and Mrs. F. W. Sullivan.

News got out that the day of the goodfellowship dinner was the 20th wedding anniversary of Mr. and Mrs. H. A. Clark. Accordingly, representatives of the Firemen's group presented the couple with a bouquet of 20 roses at the banquet, the spokesman being Dan T. Smith of Illinois.

W. E. McCullough, who represents the Monarch and other bureau companies in the mountain territory, was a guest at the convention. Mr. McCullough, last year, as western manager of the Hampton Roads, presided at the regional meeting.

A light touch appeared in the meeting of the Ohio field club when President Howe asked: "Do we want to take up the matter of agency balances?" "Are there any out?" was the question from the floor.

C. C. Wysong, former Indiana commissioner and past president of the National Convention of Insurance Commissioners, happened to be at Lake Wawasee at the time of the meeting. He was greeted warmly by his old friends.

D. W. Crane, vice-president of the bureau, drew a laugh in his remarks before the regional meeting. Mr. Crane, after paying tribute to President Ralph Rawlings of the bureau and Chairman H. A. Clark, said that as vice-president of the bureau he had no work because there was no vice in the W. I. B.

vice-president; Mr. Hiestand and D. S. Reynolds, assistant secretary Ohio Farmers; F. W. Sullivan, assistant western manager Firemen's; T. V. Dickinson, executive special agent Eureka Security; I. H. Ramaker, assistant secretary Security; E. T. Lyons, vice-president, and Frank Greer, secretary Monarch.

New Book Will Help Agents Selling Additional Lines

A book useful to agents who are turning to unfamiliar lines in order to increase their premium income has been written by Clyde J. Crobaugh, formerly superintendent of the educational extension service of the Aetna Life and affiliated companies. It is called the "Handbook of Insurance" and is a combination dictionary and encyclopedia of insurance. It explains in alphabetical order approximately 5,000 insurance terms with a convenient cross-indexing system that enables the reader to find any specific term easily.

In writing unfamiliar lines a study of the manual is necessary but in addition an agent often wishes further knowledge in order to talk intelligently to the assured. Some of the manual terms may be unfamiliar, or the agent may wish to inform himself quite thoroughly before approaching an important prospect.

The book is published by Prentice-Hall, Inc., and the price is \$10. It may be ordered through THE NATIONAL UNDERWRITER.

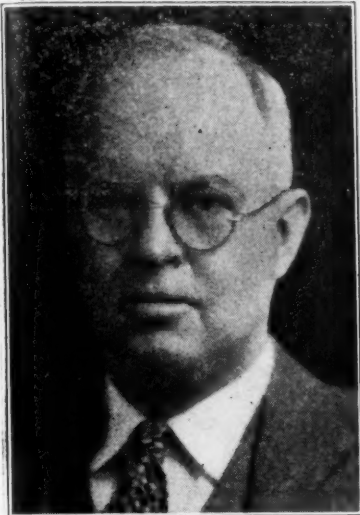
M. G. Harbaugh, manager of the Citizens Insurance Agency, Logan, O., has been seriously ill for about six weeks. He has been advised by his physician to remain home for another week or so.

NATIONAL SERVICE

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Hartford
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DEPARTMENT
Chicago

S. E. U. A President



J. H. HINES

J. H. Hines of Hines Brothers, managers of the southern department for Crum & Forster with headquarters in Atlanta, who was recently elected president of the Southeastern Underwriters Association, started in the insurance business in 1902 as a clerk in a local agency of his native town, Corsicana, Tex. In 1905 he joined Trezevant & Cochran and remained until 1908 when he was appointed assistant to Texas State Agent R. L. Monagan of the Phoenix of London.

In 1911 Mr. Hines joined the Roulet Rating Bureau for Texas and the next year became special agent for the Republic of Texas, in 1913 becoming secretary of the company. In 1920 Mr. Hines joined his brother, H. F. Hines, who was Texas state agent for Crum & Forster. He helped in the organization of the Texas department for Crum & Forster under the management of Hines Brothers. In 1922 Hines Brothers were appointed managers of the southern department in Atlanta and Texas was placed under the Atlanta office.

Goodwin Hits at Current Abuses

(CONTINUED FROM PAGE 5)

Then all that would be left would be household furniture for the local agent to write, and employees' group might take care of that.

The question was asked if any agent present had received his commission from the I. U. B. and one hand was raised.

Optimistic Side to Practice

Rate cutting by the companies was condemned and the speaker declared any agent if he shopped long enough could get any rate he wanted. He congratulated the commissioners on taking up this matter and protecting the stockholders of the companies.

Declaring, however, that there is really an optimistic side to the business, President Goodwin said the companies have greater problems than the agents, that the fire companies have gone a long way in helping to bring about the conference committee and agents and company officials are sitting down together in an honest effort to bring about better conditions in the fire business. He expressed the hope that before long just such conferences might be held between the casualty companies and agents.

President Goodwin condemned any practice looking to the formation of companies and selling stock to insureds as a means of holding the business. It has worked out badly everywhere, he said.

Mr. Goodwin said that although the National Board is opposed to agency

qualification laws he has found that fire and casualty executives everywhere are becoming more and more in favor of such a law. He praised the California qualification law as the best so far.

Urges Interest in Politics

He advised the agents to take an interest in politics, to enter their legislatures and look after insurance legislation, just as the lawyers, doctors and other interests do. He had a fine word to say for the insurance press and told the agents they certainly should read some insurance journals. He called attention, however, to a violation of the ethics of journalism on the part of a Philadelphia insurance paper which had published his convention speech a week ahead of its release date and had gone further and criticized it severely in an editorial in the same issue. Referring to a statement in that editorial that he had overstated conditions when he said a garbage collector had been named an agent, President Goodwin said it should be noted that he did not say such an agent had been appointed in Philadelphia but he could show such an agent had been appointed in New York and he could substantiate all the statements made in his address on branch offices.

Fire Business Holding Own in Hawaii, Colvin Reports

SAN FRANCISCO, July 1.—C. A. Colvin, manager of the Providence Washington, has returned from a three weeks' visit to the Hawaiian Islands, accompanied by Mrs. Colvin. Fire insurance business in the islands, says Mr. Colvin, is holding its own much better on the mainland. While the 15 percent reduction in rates about a year ago is having its effect on business, this condition is being rapidly overcome, he asserts.

The efficiency of the native fire department in Honolulu and the warm climate are given as reasons for the low loss ratio in the islands. Because of the equable weather there is little or no need for heating apparatus, which removes one of the principal sources of fires.

"Insurance Almanac" Issued

The "Weekly Underwriter," 80 Maiden Lane, New York, has issued the 1931 edition of the "Insurance Almanac" which is one of the most valuable insurance reference books that is published. It covers the field completely, giving all manner of desirable information that insurance people need from day to day. This book is on the desk of thousands of insurance people the country over.

Protest to School Board

JACKSONVILLE, FLA., July 1.—The Jacksonville Insurers Association, composed of local agents, is making violent protest before the school board in the change of method in allotting insurance on school properties. Heretofore the insurance had been prorated among local agents. Now the insurance has been handed over to Harry Bowen of R. R. Rogers & Co. Members of the local board appeared before the school board, the main spokesman being President T. T. Elmore. Others who took part were B. E. Hardacre, Max N. Oberdorfer, N. Joost, Findley Tucker, George Baldwin and C. A. Payne.

Bennett and Bair Speakers

Guest speakers at an outing and dinner of the local boards of Allentown, Bethlehem and Easton, Pa., included W. H. Bennett, secretary National Association of Insurance Agents, and Kenneth H. Bair, president of the Pennsylvania association.

The National of Hartford has declared its regular dividend of 50 cents a share.

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Formerly THE WESTERN UNDERWRITER

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National Publishers
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Provoking the Rate Issue

SINCE Superintendent VAN SCHAICK of New York issued his famous ultimatum on rate and rule violations, there have been whispers that a failure of the companies to clean house might provoke state authorities to attack the rate structure. Some have felt that New York state might exert extra territorial influence by calling for rate reductions on the theory that if companies are in a position to grant favors to certain property owners, they must be getting too much revenue.

Commissioner LAWSON of West Virginia has been the first state official to threaten the companies in the direction of rate reduction. His position is logical. He points out that a few years ago companies were clamoring for higher rates. Now many of them are deviating from the higher rates, which they were successful in obtaining, in the heat of competition. Mr. LAWSON has made the threat that if this discrimination does not

cease he will insist that all property owners should be given the preferential rates which certain clients of favored brokers and agents in that state have enjoyed.

A certain amount of competition as to cost is justified in any enterprise when the margin of profit is too great. Competition as to cost when the service or product is near or below the production cost, is demoralizing and is a FRANKENSTEIN monster for those who take the initiative in that direction. Mr. LAWSON's warning should serve to bring the business to its senses. He can not be accused of badgering the companies. What he proposes is eminently fair and the reform which he is seeking is in the interest of the companies. Other states are likely to take up the agitation and the matter may become a political issue, with a barrage of propaganda, ill feeling and strife, unless the companies strengthen their moral fibre.

Sticking to One's Business

E. W. KELLY of Bristol, Va., in his presidential address before the VIRGINIA ASSOCIATION OF INSURANCE AGENTS, took an optimistic view of the economic situation, saying that one of the biggest lessons that has been taught is the desirability of a man sticking to his own business, working harder at it and giving it his genuine attention. It is Mr. KELLY's view, when the readjustment has been completed, insurance will be on a firmer foundation than ever and the agents will see the way to a greater day.

As Mr. KELLY points out, insurance people have now ceased to follow false gods.

Probably one of the main features of the boom in which we were engulfed was the fact that people were forgetting their own special lines and were interested too much in the stock market. There was a constant outside stimulation. People were neglecting their accustomed duties and the real source of their income in order to try to get rich quick. When the crash came it came with a terrific thud.

Doing Small Things in Big Way

THERE are many people who seemingly are trying to do big things or at least feel they should accomplish something of vast importance. In many cases these same people have never tried

to do smaller things in a big way. In the preparation for the greater achievement there is an opportunity to gain experience in accomplishing smaller things in a way that is worth while.

PERSONAL SIDE OF BUSINESS

W. H. Hayes of Seattle, special agent Automobile of Hartford, addressed the Launderers Association of Montana at its convention at Butte, explaining the special types of policies designed for their industry. "The Bailees' Policy for Laundermen and Dry Cleaners" was his topic.

A. J. Penfield, secretary of the Pacific department of the Atlas, has returned from an eastern trip, on which he visited the United States head office in New York City and the Chicago office, returning by way of the Pacific northwest, where a number of agency conferences were held.

J. H. Doyle, general counsel of the National Board, was in Chicago Monday and Tuesday, visiting the branch office of the organization there, following which he left for Colorado, where he plans spending July on his vacation with Mrs. Doyle. Mr. Doyle loves the great outdoors, and is never quite so happy as when tramping the fields, or angling for the trout in mountain streams.

Linn S. Kidd, son of Commissioner J. C. Kidd of Indiana, who is manager of the Kidd Insurance Agencies, Brazil, Ind., was married last week to Miss Dorothy Kerfoot of Brazil. Mr. Kidd is a graduate of Brazil high school and Indiana University.

Arthur W. Ades, 58 years, chief accountant for the western department of the Security of New Haven at Rockford, Ill., died June 27, two days after an emergency operation for appendicitis.

He had been in charge of agents' accounts for the department since it was established in 1906.

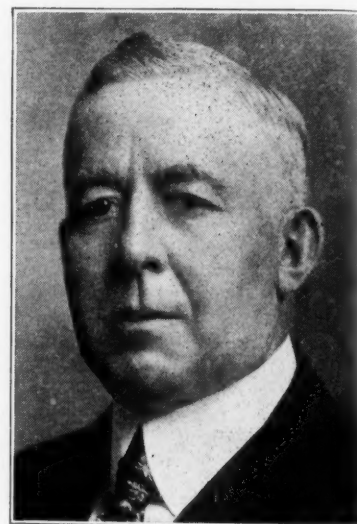
Henry J. Karow, Madison, Wis., state agent for the Automobile of Hartford, has been in St. Mary's hospital at Madison recovering from a stroke of paralysis.

One of the colorful figures in San Francisco insurance ranks, Ferdinand Simmen, 64, one of the old guard of the Fireman's Fund, died there last week. Mr. Simmen joined the Fireman's Fund, which then was in its infancy, in 1882 and soon won the title of No. 1 marine underwriter. During his 36 years of service with the company, he had a personal acquaintance with every sea captain who touched at the port of San Francisco, and was known to insurance men in all lines throughout the Pacific Coast. Retiring on a pension from the company in 1918, he found inactivity irksome and after a few months he joined Billings & Co. as a broker, remaining there for about four years, when he had to leave because of failing health.

Will S. Eberle, general agent of the American National Fire at Oklahoma City, was a guest of General Manager G. D. Gregory at the home office in Columbus the past week. Mr. Eberle is recovering from a severe illness.

R. M. Chandor, who for many years was connected with the "Insurance Monitor" and the "Insurance Law Journal," is returning to the publishing business, getting out a semi-monthly paper called "Insurance Decisions," with offices at 80 William street, New York City. Mr. Chandor states that his publication will translate decisions into insurance terms so that all in the business can understand them. There will be a forum in which experts will discuss different features brought out in the decisions.

Charles B. Anderson, insurance commissioner of Nebraska for a few months early in 1929, died of a cerebral hemorrhage June 27, at Alexandria, where



CHARLES B. ANDERSON

he was spending the summer. Mr. Anderson was forced out of the commission by reason of ill health, but had been greatly improved in recent months. He was formerly with the Bankers Life of Nebraska, and had had a long career as a banker, having also been a state university regent and a state senator. He was 66 years of age.

The committee of the Automobile Superintendents Club of Chicago, which was created some time ago to consult with the western advisory committee of the National Automobile Underwriters Association, has been given new prestige. It has been given recognition by the National association and its name has just been changed to the Automobile Actuarial Committee. Paul Fry, assistant secretary of the Chicago branch of the National Automobile Underwriters Association, has been made secretary of the committee. L. L. Sanders, National of Hartford, is chairman. The purpose of the committee is to furnish the western advisory committee, which is composed of managers and assistant managers, with information and advice from the automobile desk. It is felt that the advisory committee can keep in more intimate touch with the automobile field by consulting with the men who are devoting their entire time to that branch of the business.

John Mylod, secretary of the North British in charge of its automobile department, left New York on a business trip July 1, planning to be away six weeks. After visiting a number of agencies in Canada, he will stop at Seattle, going thence down the Pacific Coast to San Francisco and Los Angeles, returning to New York via the Santa Fe route, after stopping at different important centers.

T. H. Anderson of San Francisco, Pacific Coast manager of the Liverpool & London & Globe, has presented gold medals to E. G. Middlekamp, Sr., Pueblo, and Richard White and F. N. Standardt, both of Denver, who have represented the company 25 years or more.

Mr. Middlekamp has been an agent at Pueblo for the company 33 years. Mr. White began as a local agent April 7, 1906, at Idaho Springs, Colo., taking up his present position as state agent with headquarters in Denver in October, 1915. Mr. Standardt was appointed agent in Denver April 1, 1906, but had served under a former appointment, dated in 1893.

The Union Marine & General has been licensed in Alabama with F. O. Hawkins, Montgomery, as agent.



Like insurance, the concrete dikes between oil storage tanks cannot prevent fires but may prevent the loss of the owners' entire investment . . . like insurance coverage, each dike must be of a sufficient height amply to retain the entire capacity of the tank. But, unlike the dike, *dependable* insurance not only provides protection but also indemnity when loss occurs . . . *Royal insurance is dependable insurance. Representing the Royal means representing the highest standards of dependability and security.*

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Reports Ohio Auto Situation

J. C. Hiestand, Ohio Farmers, Tells of Stabilization Accomplished by Non-Conference Carriers

Information as to steps that have been taken in Ohio to correct excessive rate competition in the automobile field was brought to members of the Ohio Field Club in session at Lake Wawasee, Ind., by J. C. Hiestand, assistant secretary of the Ohio Farmers in charge of automobile and inland marine. The Ohio Field Club, which is the Western Insurance Bureau organization, held its meeting at the same place and time as a number of other state field clubs.

Mr. Hiestand declared that many of the non-conference stock carriers in Ohio became alarmed early in the year when after the National Bureau of Casualty & Surety Underwriters had promulgated higher property damage and public liability rates for Ohio, an article in a Columbus newspaper reported that the State Automobile Mutual of Columbus would not advance its rates. This report caused concern to non-conference stock carriers, whose executives welcomed the higher rates and a number of these carriers, including the Ohio Farmers Indemnity, Ohio Casualty, Mercer Casualty and Buckeye Union Casualty held conversations. Later the State Automobile Mutual announced higher rates and declared that the report in the Columbus newspaper was unfounded.

Mr. Hiestand stated that conversations between the non-conference companies led to a healthy condition of stabilization, because it constituted a move in the direction of cooperation between those companies. A sort of informal non-conference conference has been the result.

Conditions were greatly stabilized, according to Mr. Hiestand, until recently a non-conference stock company domiciled in one of the western states bulletined most of the Ohio agents, advising that rates as low as 45 percent off manual were available for preferred classes such as school teachers and farmers.

Long Promises End of Rate Abuses in West Virginia

The West Virginia insurance department which addressed George C. Long, vice-president Phoenix of Hartford, who is chairman of the West Virginia Uniformity Association, calling attention to the necessity of companies living up to rates and ceasing to practice discrimination has received a letter from Mr. Long in which he said that he had taken up the matter with the uniformity commission members and felt assured that there would be no further grounds for criticism.

Home Mutual, W. Va., Affairs Are Now Being Worked Out

At the annual meeting of the West Virginia Association of Insurance Agents there was considerable discussion over the failure of the Home Mutual Fire at Buckhannon, Va., which got in serious difficulties last winter. The bank in which its deposits were made failed which put the mutual out of business. It was unable to pay its losses. The directors are prominent

business men of Fairmont. The West Virginia department is giving these men an opportunity to work out their situation without going in the hands of a receiver.

No Insurance Action Taken By Ohio Auto Association

The subject of automobile clubs going into the insurance business did not come up formally at the convention of the Ohio State Automobile Association, at Cedar Point. A large number of insurance men, who are members of automobile clubs, were on hand to fight any effort to commit the association to a policy of writing automobile insurance. A bitter fight between two factions occurred in the convention, a minority slate being elected. However, L. B. Timmerman of Lima, who was on both slates, was reelected. C. C. James, Columbus, was asked by the convention to continue as secretary, but said that he would resign as soon as a successor had qualified. Among the vice-presidents elected was Cliff Murfin of Portsmouth, representative of an automobile insurance company in Columbus.

In the course of debate many members insisted that the state association should work for the interests of motorists and should not engage in any outside enterprises, which meant insurance. So far the Ohio department has not handed down its ruling on the application of the Cincinnati Automobile Club to write insurance. Representatives of the Cincinnati club were among those who went down to defeat in the election of officers.

Columbus Society's Meeting

COLUMBUS, O., July 1.—The Insurance Society of Columbus held its annual meeting and outing last week with more than 100 in attendance. President F. E. Kirkpatrick presided and Superintendent C. T. Warner gave the principal address. W. J. Eilber, F. E. Kirkpatrick and C. A. Wikoff were reelected directors. They with the hold-over directors, E. D. Gardner, H. S. Mesloh, J. J. Macklin, R. H. Clark, I. B. Lentz and F. F. Jaeger, will meet in a short time to elect officers. R. B. Knepper, well known Columbus insurance attorney, is secretary of the society and was in charge of the arrangements for the outing.

Cleveland Board Picnic

CLEVELAND, July 1.—The annual picnic of the Insurance Board of Cleveland, held at Pine Ridge Country Club, was one of the most successful ever scheduled. The program included an afternoon of games, a fine dinner and dancing in the evening. The committee in charge was composed of C. O. Ransom, chairman; Joseph Hodous, Jr., Robert Oswald, Ellis Ryan and Edwin Ayer.

Ohio Storm Loss Heavy

CLEVELAND, July 1.—Ohio insurance men, who had been congratulating themselves that the state had not experienced any severe storms so far this year, were given a jolt a few days ago when a storm swept through the entire northern section of the state. Several lives were lost and much damage was done to property. It is estimated that the property loss in Cleveland alone was \$1,000,000 and it is believed that the loss in the rest of the state will equal

this sum or exceed it. Many buildings were damaged and wheat and oats were laid low. In Lorain, the people were in terror, fearing a repetition of the storm that caused such a heavy loss of life and big property damage there a few years ago.

It is estimated that only 3 percent of property values is covered by tornado insurance, which means about \$5,000,000 in Cleveland. Out of this, about \$500,000 in claims will be filed following the recent storm. A large part of the coverage has been on big factories or on dwellings in which there is a mortgage interest. Very little has been carried on building contents. An immediate impetus is expected in the tornado insurance field.

Asks Ruling on Second Russian

Superintendent Warner of Ohio has asked the courts at Columbus to decide what he shall do with \$100,000 deposited with the state by the Second Russian. The deposit was made June 14, 1914. Recently the company ceased to do business in Ohio and the deposit is claimed by a New York banking institution. Ohioans having claims against the company will now file them with the court.

Tells Farm Agents' Woes

Louise Pohlmann of the Pohlmann Agency Company, Hilliards, O., has written to THE NATIONAL UNDERWRITER voicing some of the woes in the farm

writing field. Miss Pohlmann attributes much of the farm difficulty to the indiscriminate appointment of agents. "The whole thing," she says, "seems to me to revert to the weakness of companies in times past in appointing unfit agents, particularly in farm territories and then passing the buck and the penalties for their own shortcomings onto the swift, conscientious and suffering local agent. We see it frequently printed in various insurance periodicals that agents must be selected with greater care, but watch them do it. Every week a new agency is appointed somewhere, consisting of one or two persons or taking on insurance as a side line, to see how well we like it and to 'get along in it!'"

Miss Pohlmann deplores the fact that the agent, who serves a company for many years, showing a good loss experience, paying balances promptly and engaging in the business seriously and intelligently should be made to suffer for the sins of their less conscientious competitors.

Ohio Notes

The McKenna Realty Company agency in Toledo has been sold to Leibins & Waller.

A fire school for Ohio fire chiefs and subordinates will be held at Ohio State University, Columbus, Sept. 21-22, under the auspices of the Ohio Municipal League and Ohio Inspection Bureau.

CENTRAL WESTERN STATES

Rates Affect Small Carriers

Stock Company Men Disappointed on Showing in Michigan—Press Clearance of Agencies

LANSING, MICH., July 1.—Agents who have been supporting the big stock fire companies in their effort to corral a larger share of the auto business in Michigan are anticipating that the field of Michigan carriers will be considerably reduced within the next year. It is freely admitted that the past year, during which practically all of the National Automobile Underwriters' Association companies have been accepting Michigan business at radical reductions from the manual rate, has greatly weakened some of the smaller home carriers and that those which have not previously quit business or merged may be forced to do so in the relatively near future.

Counted on Rating Bill

Many of the Michigan carriers were counting on the passage of the Rushton bill to turn over auto rating to the insurance commissioner. Failure of the legislature to enact this measure leaves the competitive situation unchanged and, as the organized agents were assured in May, 1930, when stock full coverage collision and fire and theft rates were dropped that the new levels would be maintained for two years, the prospect is obviously dismal for the home carriers which have been operating on a "shoestring" basis.

Representatives of the big companies, however, are somewhat disappointed at their own showing which has not been of the best because of the business slump. Had normal conditions prevailed it is believed that a much larger volume could have been written at the extremely low rates prevailing.

Pressure for clearing of agencies has been increasing and the mutuals and reciprocals have been losing their agents on a wholesale scale. The prac-

tice for a time after the stock company rate reduction was to take stock carriers into the agencies representing the "at costers" and to turn over fire, theft and collision business to the stock companies while retaining casualty lines for the home carriers. While keen competition among the stock companies has tended to perpetuate this condition, it is now reported to be on the wane and there is evidently a more concerted movement, since the legislature's adjournment, to demand that the agencies representing stock companies give them complete loyalty.

Indiana Code Commission Organizes for Its Work

INDIANAPOLIS, July 1.—The insurance code commission named recently by Governor Leslie of Indiana has started its work. L. H. Wolf of Indianapolis was named chairman and F. A. Tedford of Lafayette, president Indiana Association of Insurance Agents, secretary.

The commission will work through subcommittees, each to study laws relating to the three principal branches of insurance. E. O. Burget, president Peoples Life, Frankfort, was named chairman of the life insurance committee. Mr. Wolf heads the fire insurance committee and R. A. Foster of Foster & Messick, Indiana managers United States Fidelity & Guaranty, the casualty committee.

Other members of the commission are Fred Cunningham and I. W. Lemaux of Indianapolis, with Commissioner Kidd an ex officio member.

New Agency Incorporations

LANSING, MICH., July 1.—New corporations with agency powers include the Northwestern Holding Corporation, Detroit, chartered to do a realty and building business along with its insurance activities, incorporated by A. E.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D. and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



He Knows

and because he knows the General Agent is indispensable to the American Agency system. Twice as many General Agents today as three years ago is proof of this statement. He is close to all economic conditions in his territory and can give the latest and most complete first hand information. He knows which business prospects are good, he knows which business is good and which is bad, he knows which business he can accept and which he must turn down. He knows his territory and places with companies only the better agents know. Because he knows the local agents down elsewhere because of improper knowledge regarding the risk. It is advantageous for both company and local agent to place business through the General Agent. If you want more information on the General Agency system write to any of the General Agents whose names appear on the opposite page.

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THESE GENERAL AGENTS ARE IN EFFECT HOME OFFICES IN THEIR TERRITORY

Cook, Evaline Brown and Jean Cook; Reserve Loan Company, Detroit, by F. B. Riggs, H. H. Upton, and K. E. Yeck, Detroit; Lyford M. Moore, Inc., Detroit, by Lyford M. Moore, Anna B. Moore and Cyril Moore; Lambrecht-Kellu Co., Detroit, by Harry Allen, Elias Aberle and Kenneth Draper.

Wants Policy Stretched

Indicative of the claim-mindedness of the public in hard times is an incident reported by H. R. Monson of the agency bearing his name in Mattoon, Ill. Mr. Monson has been pressed by one of his assureds to submit a claim for damages to his dwelling caused by smoke from a non-related fire. The house has not been painted for three years, yet Mr. Monson says the assured wants the insurance company to repaint his dwelling.

"Do you know of any good company that would pay for such a loss?" Mr. Monson asked. "I haven't the heart to ask any company to pay a loss such as this, or even report it, as there is no loss under his policy."

Investigate License Charges

LANSING, MICH., July 1.—Commissioner Livingston is investigating the charges made to Governor Brucker by Flint automobile dealers that the insurance department has been discriminating against Flint automobile salesmen and mechanics in issuing insurance licenses. Commissioner Livingston denied that there is anything new about the policy of the department in not issuing licenses to automobile salesmen and mechanics or that Flint has been its exclusive target. In issuing licenses the department has been holding to the policy that competent insurance agents and not automobile salesmen and mechanics should handle automobile insurance.

Delay Naming Successor

It is unlikely that a successor will be appointed this year to Frank H. Jones, publisher of the Illinois Inspection Bureau, who died recently. Affairs of the bureau are being handled jointly by Assistant Publishers Soderstrom and Matson.

Mutual Record in Michigan

Farm mutuals suffered losses of \$1,963,010 in Michigan last year compared with \$2,076,165 the year before, according to a report issued by Commissioner Livingston. There was a total of 4,057 buildings involved in losses paid by the mutuals, including 2,001 dwellings, 864 barns, 24 garages, 30 school houses, 21 graneries.

Genesee county had the worst record with \$101,301 being paid by mutual companies there; Clinton county \$97,749, Monroe \$71,903, Oakland \$77,944, Wayne \$45,689.

Heading the list were fires of "unknown" origin; next was sparks on roof, then defective chimneys, threshing machines, spontaneous combustion, defective wiring, and gasoline explosion.

Bad Michigan Storm

LANSING, MICH., July 1.—Many thousands of dollars in property damage

Notable Career



JOHN A. HANSON

John A. Hanson of Detroit, who resigns as manager of the Western Adjustment, has had a notable insurance career, starting as special agent of the Milwaukee Mechanics in 1905 with headquarters at Minneapolis. For 14 years he was supervising Minnesota, South Dakota, North Dakota and part of the time Montana. He joined the Western Adjustment Sept. 1, 1918, at Minneapolis when the late W. C. Burleigh was manager. He was made manager at Grand Rapids, Mich., in 1919, general adjuster at the head office in Chicago in January, 1921, and was appointed manager at Detroit in November of that year. He served as president of the old Minnesota & North Dakota State Board. He was most loyal gander of the Minnesota Blue Goose and went up the line of grand nest officers, being elected most loyal grand gander in 1919.

Mr. Hanson has been in the heat of some of the big losses such as the Cloquet conflagration in northern Minnesota in 1918; tornado at Fergus Falls in June, 1919; Buckley-Douglas Salt & Lumber Co. fire at Manistee, Mich., in 1920. Curtis Tire & Rubber Co. at Muskegon the same year; the Northwestern Terminal Elevator explosion loss in South Chicago in March, 1921. Mr. Hanson will continue to reside at the Detroit Athletic Club in Detroit when he retires from the Western Adjustment.

followed in the wake of the third "black storm" in the history of southern Michigan, which struck with a 60-mile gale last Friday. Adjusters for insurance companies have been working overtime ever since the storm.

Toles Agency Is Formed

With powers including operation of an insurance agency, the Toles Management Co., Detroit, has been incorporated by C. W. Toles, Grace S. Toles and N. C. Fealig and the Brandon Mortgage Company, Detroit, by W. C. Brandon, A. B. Brossy and F. E. Brossy, Jr.

agree with the fairness of the rate the burden of proof is on him to show that the rate is unreasonable.

Any person having a financial interest in the matter of any city, village, or other political subdivision of the state may ask the commissioner for a hearing on any rates or rules deemed unjust and any such complaint shall be sufficient to enable the commissioner to determine whether there is probable cause therefor and should he so determine, may call a public hearing to be held before himself, under the Mauthe measure.

The bill charges the commissioner with making his findings within ten days after termination of the hearing and specifies that should the insurer appeal to the courts the burden of proof shall rest upon the company to show that the ruling or findings are unjust.

An advisory committee of seven members to be appointed by the governor to consider the problems arising from regulation of insurance is provided by the bill and to meet with the commissioner of insurance for conferences not less than three times a year. The members of this committee are to be reimbursed for actual expenses but are to receive no salaries.

Signs Loss Bill

MADISON, WIS., July 1.—Governor La Follette has signed a bill providing if any fire, casualty or marine insurance agent mislead an assured with reference to a settlement of a loss, so that the assured does not follow the prescribed methods laid down by the company, the company cannot use this as a defense, whether or not the agent has been following its instructions.

Appraisal Law Amended

MADISON, WIS., July 1.—The Wisconsin fire insurance appraisal laws have been amended to provide that whenever an appraisal is demanded and an appraiser appointed under the standard fire policy of Wisconsin the other party shall designate an appraiser within 10 days after receipt of notice of such demand and appointment. If no appraiser is appointed the party demanding the appraisal may make application for the appointment of an umpire, who, together with the appraiser named by the one party shall thereupon act as a board of appraisers and their award shall be as binding as though both parties had chosen appraisers.

Want Mutuals Taxed

FARGO, N. D., July 1.—The North Dakota Firemen's Association at its annual convention went on record as fa-

Wisconsin Senate O. K.'s Mortensen Appointment

The Wisconsin senate has confirmed the appointment of Harry J. Mortensen of New Lisbon as insurance commissioner for Wisconsin succeeding Milton A. Freedy. Mr. Mortensen assumes his new duties July 1.

A number of men prominent in the Wisconsin field have expressed the opinion that Mr. Mortensen's appointment will give the state a business man's administration.

Herbert T. Mount, Milwaukee lawyer, has been appointed deputy commissioner.

voring legislation whereby mutuals would be required to pay a tax for the upkeep of fire departments and the state association fund. It was pointed out that old line companies have paid a 2 percent tax for many years.

H. L. Reade reported that the amount received annually from the insurance companies has decreased more than \$10,000 since 1928, due partly to depression but also to the fact that no tax is forthcoming from the mutuals, which are writing large amounts of insurance in the state.

Frank Barnes, deputy state fire marshal, spoke on the North Dakota arson statute. He explained that under the old arson laws in North Dakota only persons charged with burning buildings could be brought to justice, but that under the new law burning personal property is also punishable.

Northwest Mutuals' Meeting

The Northwestern Association of Mutual Insurance Companies will hold its annual meeting at Minneapolis July 16-17.

Wisconsin Notes

The Carpenter & Rowland Co., Racine, Wis., has been incorporated by W. Carpenter, J. D. Rowland and J. S. Rowland.

The A. F. La Budde Company, Milwaukee, has been incorporated by L. La Budde, R. E. La Budde, S. La Budde, A. F. La Budde.

Articles of incorporation have been filed by S. V. Taylor, Inc., La Crosse, Wis. Incorporators are S. V. Taylor, G. Safford and W. Wold.

C. C. Grebe, former secretary of the Town of Herman Mutual Automobile, pleaded guilty to embezzlement at Sheboygan, Wis. Sentence was suspended and he was placed on parole for five years, on condition that restitution be made to the company.

IN THE MISSOURI VALLEY

Agents' Records Lost in Fire

Spencer, Ia., Loss Estimated \$1,500,000 with Liability of Mutuals Perhaps Two-Thirds of Amount

The records of all leading agencies in Spencer, Ia., having been destroyed in the fire which attacked four blocks in that city, the insurance loss cannot now be estimated with any accuracy. Newspaper accounts set the total loss at \$2,000,000, but adjusters on the scene put it roughly between \$1,000,000 and \$1,500,000. The fire started from an explosion of fireworks.

The Western Adjustment reports that blocks 26, 27, 30 and 31 were involved, blocks 27 and 30 being a total loss as to buildings and contents, block 26 suffering minor exposure loss, buildings on lots 3, 9, 10, 11 and 12 being a total loss and the rest in that block suffering from exposure.

Much work will be involved in the settlement of the losses. Agents will

probably be asked to report from memory what companies have liability on the various buildings involved and then those companies must be quizzed.

The mutuals are believed to have suffered heavily in the loss, perhaps being liable for as much as two-thirds of the loss. Iowa is a strong mutual state and Spencer is said to be particularly heavily insured with the mutuals.

The Western Adjustment has several men on hand, including H. E. Bjodstrup, manager Sioux City branch; J. E. Riddle, general adjuster for Iowa; Carl Miller, Waterloo; H. P. Simons, Kansas City; L. C. McCord, Omaha, and R. M. Ryan, St. Louis. Work of the Underwriters Adjusting is in charge of M. C. Scanlan, manager of the Omaha office.

Hold Separation Hearing July 14

July 14 has been fixed for the hearing at Lincoln of charges filed by operators of several local agencies in that city against nine Western Underwriters Association companies and their Ne-

STATES OF THE NORTHWEST

Regulation Bill Is Passed

Wisconsin Measure Provides for Most Drastic Change in Insurance Law Since 1917

MADISON, WIS., July 1.—Assemblyman Mauthe's fire insurance regulation bill has been passed by the Wisconsin senate. If it is signed by the governor, the measure will bring about

the most drastic changes made in insurance laws of the state since 1917. Outstanding among the changes it provides, is that under its terms the insurance commissioner may order rates or rules and if the insuring companies do not agree the burden of proof is on them to show that the rates are unreasonable or unjust. As the law now stands the commissioner of insurance is required to approve rates and rules after they are proposed by the companies. Should he dis-

braska state agents, charging that they and other members of the W. U. A. have entered into an illegal agreement to enforce the association's separation policy in violation of the Nebraska statutes. Commissioner Herdman found the legislature had appropriated no money to pay for witnesses and otherwise finance such hearings, but the attorney general will supply whatever is necessary.

Complete Kansas Work Soon

TOPEKA, KAN., July 1.—W. C. Hodges, manager Kansas Inspection Bureau, expects to complete the inspections and reclassification of all Kansas cities and towns soon and have all the rate books and schedules filed before Aug. 1. The inspection work has required 15 months. Less than half a dozen towns remain in which the work has not been completed, but it is so well along now that the end of the job is in sight.

Iowa Department Reorganized

DES MOINES, July 1.—Commissioner Clark has reappointed C. C. Kirkpatrick, insurance department actuary, and J. L. Gillstrap, chief examiner. Mr. Kirkpatrick has charge of the life insurance examinations and Mr. Gillstrap of other companies. L. D. Ross, secretary Polk county Building Loan & Savings

Association, will succeed J. W. Dailey as securities clerk and J. S. Fisk will replace Walter Reno as complaint clerk. Other reappointments in the department are those of John Kimball, policy examiner; E. W. Sweany, fee clerk, and Mrs. Esther Crawford, general clerk. Mr. Clark appointed Phil Kless first deputy and reappointed Leon Penquite second deputy when he took office earlier in the week. Frances Dormedy of Mason City, Mr. Clark's secretary there, will come to Des Moines as his secretary.

Missouri Notes

The Missouri department has taken charge of the affairs of the **Concordia Town Mutual**, Concordia, Mo. Officers of the mutual admitted it was insolvent. Policyholders will probably lose \$35,000 or more.

Funeral services for **F. E. Henderson**, 63, former chief of the St. Louis fire department, were held June 29. He was made chief of the fire department in 1917 and retired from that post in 1922 to become a broker with the Crane Agency in St. Louis.

The agency of **Leo Anderson, Inc.**, St. Joseph, Mo., has purchased the **McDonald** agency, which for the past 15 years has represented the Travelers there, and will act as district agent for that company in the future on all lines.

The **Kansas Fire Underwriters Association** will meet July 7 at Topeka.

STATES OF THE SOUTHWEST

Important Arkansas Ruling

Supreme Court Holds Receivership Before Loss Automatically Cancels Company's Liability

The Arkansas supreme court has rendered an important ruling in favor of the Home Fire of Arkansas in the consolidated cases of W. N. Bynum and L. B. Boykin against Elmo Walker, receiver for the Home Fire. The decision states: "Where a group of insurance companies assume a risk under an agreement to prorate the loss, if any, in the event one becomes insolvent, the companies remaining in operation shall assume the entire risk and make settlement in accordance with the contract." The court also decided that establishment of a receivership relieves the company of all liability and automatically cancels outstanding policies.

Bynum was owner of a mill destroyed by fire Dec. 1, 1930, on which the Home Fire carried the risk under a pro-rata agreement with the National Union and other companies. The loss was adjusted at \$137,700 and the National Union insisted that the Home Fire be pro-rated its share although previous to the fire application for receivership of the Home had been filed by Attorney-General Norwood on behalf of the state of Arkansas.

Insure Only Frame Schools in San Antonio Hereafter

SAN ANTONIO, TEX., July 1.—The San Antonio school board has voted to cut insurance carried on school buildings from \$2,109,000 last year to \$60,000, to cover frame buildings alone. This insurance of \$60,000 was placed with Wheeler Gill Company. The business was written on a three-year basis, with 40 percent cash, the balance in deferred payments in one and two years without interest.

Members of the San Antonio Insurance Exchange consider that the board is exercising poor business judgment in dropping this insurance, as they do all that they can to see that the needed protection on buildings and equipment is carried.

Under the plan adopted, \$7,000 will be

appropriated each year for a school insurance fund until this fund reaches \$50,000. The board's attorney says the law which requires insuring school buildings at their insurable value does not apply to independent districts. No other city in Texas uses the plan adopted here.

Many Texas Fires Preventable

AUSTIN, TEX., July 1.—Approximately 313 of the 337 fires reported by city fire marshals in May, with losses totalling \$710,830, were preventable, Commissioner DeWeese says. This means that approximately \$264,982 worth of property went up in smoke in May that could have been preserved had fire prevention measures been followed out in the cities and towns where the fires occurred.

Old Oklahoma Licenses Out

OKLAHOMA CITY, July 1.—W. M. Murdock, secretary of the Oklahoma insurance board, last week announced midnight of June 30 as the deadline for agents to write business under their old licenses. No agent may write insurance under his 1930 license after this date or he will be subject to arrest. Where agents were requested to appear before the board and justify their right to have their licenses renewed, and failed to do so before June 30, their non-appearance will be construed as lack of desire for such renewal.

In reality all licenses expired April 30, but owing to the inability of the department to issue all of the licenses by that date the time was extended to June 30.

Fire Preventionists Elect

OKLAHOMA CITY, July 1.—The entire official staff of the Oklahoma Fire Prevention Association was re-elected at the annual meeting. Carl C. Lund, Fidelity-Phenix, is president; Rex Kendall, American, vice-president, and Will S. Eberle, Oklahoma City, general agent, secretary. Hatler Smith of the Eberle general agency was elected assistant secretary, a new office.

D. H. Banks, formerly of Twin Falls, Ida., is opening an insurance agency in the Concord theater building, Springdale, Ark., with his father, J. J. Banks, as a partner.

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agt.

U. S.—Statement December 31, 1930

ASSETS	\$13,257,460.31
PREMIUM RESERVE	2,265,563.71
OTHER LIABILITIES	816,124.97
NET SURPLUS	10,175,771.63

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch
Manager Brokerage and Cook County Depts.



What Is the Essential Difference Between Insurance and Gambling?

Insuring one's property sometimes is said to be a gamble on its destruction between the policyholder and insurance carrier, and is likened to a bet on a sporting venture. The comparison is wholly without foundation.

Before a man insures his property the hazard of destruction already exists. By insuring it he removes the hazard by transferring it to another who, because of the law of averages, is able to absorb it. However, when a bet is laid on a prize fight, football game or other contest the hazard is created by the betters themselves and an uneconomic burden is assumed by the participants.

Thus it is obvious that insurance can in no way be classed as gambling. Rather, it is the direct opposite, for its effect is to replace uncertainty with certainty.

Great American
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IN THE SOUTHERN STATES

Rhudy Heads Florida Pond

Morrow Becomes Supervisor — Other Officers Reelected — Rempsen and Thomas Win at Golf

James T. Rhudy, Bradfield & Rhudy general agency, was elected most loyal gander of the Florida Blue Goose at its annual meeting at Keystone Heights. Mr. Rhudy succeeded R. W. Turner, Northern Assurance. C. E. Morrow, Florida Inspection Rating Bureau, was elected supervisor, succeeding E. A. Staiber, Pennsylvania Fire. The other officers were reelected: Benning Hull, custodian; A. E. Myrick, guardian; K. T. Higginbotham, keeper, and A. H. Park, wielder.

W. F. C. Fellers, supervisor grand nest, who is with the Fire Companies Adjustment Bureau at Jacksonville, was present. H. S. Loudon, former United States manager of the Liverpool & London & Globe, now retired, and Fred Bowers, retired vice-president of the Connecticut Fire, who reside at Babson Park, Fla., both attended. Mr. Fellers and Mr. Turner were elected delegates to the grand nest meeting with Mr. Morrow and Mr. Rhudy as alternates.

H. C. Rempsen, Home of New York, won first prize in the golf tournament, and W. E. Thomas, Florida Inspection & Rating Bureau, was second. A. H. Park, Florida Inspection & Rating Bureau, captured the booby prize.

Charters have been granted to the Mutual Insurance Service of Lynchburg, Va., with T. A. Jennings as president; O. C. Rucker, Jr., vice-president and manager; J. D. Jennings, secretary, and to James L. Martin, Inc., of Lynchburg.

Outlines His Plans for Year

New President of Virginia Association Tells Richmond Board of Need for Larger Membership

RICHMOND, July 1.—W. O. Wilson, newly elected president of the Virginia Association of Insurance Agents, spoke Friday before the Insurance Exchange of Richmond on the state convention at Bristol. One of his objectives the coming year, he said, will be to increase the membership of the state body. He said there had been a falling off in membership the past year but he hopes for a material increase the next 12 months.

The Richmond board, which has about 50 members, has only about half that number in the state association. In his opinion, it ought to be represented by not less than 75 to 80 percent and he is hopeful it will swell the membership to that extent, if not more.

To illustrate the importance and value of organized effort and cooperation he cited the case in which a large line of coverage, placed overhead the past year on the Newport News Shipbuilding & Drydock Company, was cancelled through the intervention of a committee of the state association headed by himself. As a result, several million dollars of insurance was recaptured by local agents that were entitled to it.

New Commission Schedule for All Brokered Business

BIRMINGHAM, ALA., July 1.—A schedule for the division of the commis-

sion on business brokered between members is contained in the new by-laws of the Birmingham Association of Insurance Agents. On fire and tornado business where the commission is 20 percent, 12½ percent is to be retained by the agent who contracts the business and 7½ percent goes to the policy-writing agent.

In casualty lines including physicians, surgeons, dentists and pharmacists liability and workmen's collective, the agent controlling the business retains 12½ percent; on steam boiler 17½ percent; accident and health 20 percent; plate glass 20 percent; burglary 20 percent; all surety lines 15 percent, except that by agreement between agents, the controlling agent may retain a smaller commission, but in no case a higher commission; automobile, fire and theft 15 percent; workmen's compensation 10 percent; workmen's compensation (coal mines) 5 percent.

Louisiana Commission Orders Audit of Company Expenses

NEW ORLEANS, July 1.—An audit of the expenses of all fire companies licensed in Louisiana to be conducted by auditors for the Louisiana insurance commission in collaboration with representatives of the companies, was ordered at an executive session of the commission. This step was taken in connection with the suit of the companies to compel the commission to permit an increase in rates, which the commission denied because the companies refused to file more detailed information as to expense ratios.

The audit will be conducted at Baton Rouge in the office of the secretary of state, because much of the desired information is said to be already on file there. Local and national attorneys for the companies are expected to be present at the audit, as well as home office accountants.

Mobile 6 Percent Premium Tax Bill Not to Be Pushed

MONTGOMERY, ALA., July 1.—According to political gossip that has gained ground in the last few days, the bills seeking to place a 6 percent tax on all insurance premiums in Mobile will not be pushed. It is said that several members of the Mobile delegation have indicated they do not desire to press the passage of the measures.

It has developed that a bill has been pending some time imposing the 6 percent tax in the city of Mobile. It originated in the house, was passed by that body and now is in the hands of insurance and banking committee of the senate where it is expected to die. This is separate from the two recent companion bills which impose the same tax both in the city and county of Mobile.

Defeat Expense Bill

MONTGOMERY, ALA., July 1.—An effort to make domestic insurance companies defray all expenses of a state examination was defeated last week when the house committee on insurance submitted an adverse report on the bill, sponsored by Superintendent Greer, requiring all these expenses to be borne by the company. Under the present law, the company pays the expenses and the state pays the per diem of the actuary making the examination.

The house committee submitted favorable reports on Superintendent Greer's bill regulating the investments of insurance companies; also the measure, patterned after the New York law, regulating the promotion of insurance corporations and the sale of their securities; and a bill protecting insurance companies against the loss of any securities that have been deposited with the state.

The valued fire insurance policy bill was relegated to oblivion last week when

Virginia Leader



W. O. WILSON

The new president of the Virginia Association of Insurance Agents, W. O. Wilson of Richmond, entered the local agency field in 1924, after 18 years' company experience. He graduated from Washington and Lee University in 1904. For two years he engaged in the local agency business as a member of the firm of Fry, Jordan & Wilson of South Boston, Va. In 1906 he was appointed special agent for the Rhode Island in Virginia and North and South Carolina. He was later sent to New Orleans and in 1915 was called to the home office of the Rhode Island. He was made assistant secretary of the Rhode Island and agency superintendent of the three companies for which Starkweather & Shepley were United States managers. In 1924 he resigned to become part owner and vice-president of the Davenport Insurance Corporation of Richmond.

the house committee on insurance voted to indefinitely postpone action on the measure.

Agents Must Pay Fee

Under the new North Carolina agents' qualification law, agents applying for license and not the companies must pay the \$10 examination fee, the Southeastern Underwriters Association bulletins members. The S. E. U. A. states that the insurance commissioner has construed the law this way. All agents not licensed prior to April 1, 1931, must pay the examination fee.

Important Tax Ruling

An opinion that the new South Carolina law adding 1 percent to the premium tax heretofore levied is to be collected on premiums of companies for the entire year of 1931, and not merely for the portion of the year after the governor signed the bill June 16, has been rendered by Attorney-General J. M. Daniel of South Carolina to Commissioner King.

Bohannon Named Counsel

James G. Bohannon of Petersburg, Va., was elected counsel of the Virginia Insurance Rating Bureau by the governing committee to succeed S. W. Zimmer, his partner in a law firm. It was decided to seek the services of Randolph Williams of Richmond as associate counsel to J. J. Leake of Richmond, who now is handling for the bureau litigation before the Virginia supreme court to secure judicial interpretation of the state rating law. Mr. Williams is a member of the law firm of Hunton, Williams, Anderson & Gray.

Mr. Williams has now been retained

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by the companies to represent them along with J. J. Leake in the Virginia fire rate case now pending before the Virginia supreme court on appeal from the state corporation commission. Prior to Mr. Zimmer's death he and Mr. Leake had been associated as counsel for the companies.

Stallings Gets Service Medal

Otto P. Stallings of Tampa, Fla., is the first local agent to receive the 25-year medal of the American Eagle. The medal is in the form of a gold watch fob. His service with the Fidelity Fire, predecessor of the present company, began in 1906.

Florida has another American Fire veteran, wearing a 25-year medal in H. J. Drane of Lakeland, an agent of the Continental for more than 40 years.

Will Sell Membership Certificates

LOUISVILLE, July 1.—N. C. Cureton, referee in bankruptcy for the Chapman Insurance Agency, A. G. and G. K. Chapman, will offer the two Louisville Board membership certificates issued in the names of the Chapman brothers at a public auction sale July 7.

The certificates are transferrable, but it is a question of finding an interested buyer who is also acceptable to the board. It is said to be the first time in the history of the board that a membership certificate has been offered at public sale. No purchaser would be eligible merely because he held a certificate and would have to be duly elected, on application for membership, under the usual program.

Kentucky Committee Named

LOUISVILLE, July 1.—L. S. Shaw, new president of the Kentucky Association of Insurance Agents, has appointed his committees.

The executive committee retains H. B. Wilson, Irvine; C. J. Smith, Lexington;

W. A. Reisert, Louisville, and E. M. Ford, Owensboro; new members being N. I. Taylor, past president, Burnside; Paul M. Moore, Earlington, and D. R. Peal, Benton.

Chairmen of the other committees are: Legislative, W. A. Reisert, Louisville; grievance, Mrs. N. K. Tunis, Danville; fire prevention, Miss Mary Vance, Lexington; membership, J. H. Gausepohl, Covington.

Unfavorable Record at Portsmouth

Portsmouth, Va., had an unfavorable fire record last year. The National Fire Protection Association reports that the fire department is so short handed as to seriously delay its initial work in fires. There is lack of sprinkler protection in the congested district. There are poor structural conditions.

Oral Agreement Question

The Kentucky court of appeals has reversed judgment, and remanded for a new trial the case of Continental vs. Baker in which Baker contends that his agent orally had agreed to pay the premium on Baker's property for the year during which the fire occurred with the understanding that the agent would be repaid by Baker. The court could find no evidence of such an oral agreement and discounts the claim that there was such an agreement, very largely on the fact that the fire occurred two months after the agreement was alleged to have been made. Baker did not allege that he made a contract with the agent for temporary insurance to protect him against loss by fire until the written policy should be delivered to him, ac-

cording to the terms of the written application, which he signed and delivered at the time.

About all that is shown, according to the court, is that negotiations for insurance were entered into and abandoned by the parties.

Sherman Heads Augusta Board

AUGUSTA, GA., July 1.—At the annual meeting of the Augusta Board the following officers were elected: E. C. Sherman, president; J. B. Murray, vice-president; H. B. Taylor, secretary-treasurer. Executive committee: H. C. Eve, H. M. North, Jr., W. S. Gardner and J. F. Armstrong.

Virginia Notes

Cohoon & Foster, composed of J. E. Cohoon and J. A. Foster, is a new local agency at Suffolk, Va.

The Standard Fire of New Jersey has entered Virginia and will be represented by the P. Lester Hawks general agency.

The Richmond, Va., local agency of Childrey Scott and T. Kirk Parrish, Jr., has amended its charter, changing its name to Childrey Scott & Co.

The Hartford has withdrawn from the home office agency of the Petersburg and planted with R. S. Terrie & Co. agency in that city.

F. E. Nolting, president Virginia Fire & Marine, has been appointed a member of the industrial development committee of the Virginia state chamber of commerce.

W. G. Harvie of Jefferson & Harvie, sole agents at Richmond for many years for the Hartford, has been carrying on the business of the agency since the death of G. J. Jefferson and will continue to do so.

ON THE PACIFIC COAST

Wallace Kelly to Yorkshire

Seaboard Fire & Marine Pacific Coast Manager Given Additional Duties —Succeeds Brother

SAN FRANCISCO, July 1.—Wallace Kelly has been appointed Pacific Coast manager of the Yorkshire succeeding his brother, McClure Kelly, who has managed the Yorkshire in conjunction with the North America for many years. The transfer was made so that all Yorkshire companies might be in one office.

Wallace Kelly established the coast department of the Seaboard Fire & Marine two years ago, later taking in the Yorkshire Indemnity. The announcement follows the visit of R. M. Hamilton, sub-manager in London, and F. B. Martin, United States manager, here last week.

California Association to Hold Regional Meetings

SAN FRANCISCO, July 1.—Present plans of the California Association of Insurance Agents indicate that the first of the series of regional meetings planned for the latter part of July will be held in the San Joaquin valley July 20. Fresno will undoubtedly be selected for the meeting place, according to Frank Colridge, executive secretary. The second of these meetings, which will be attended by Eugene Battles, president, as well as Mr. Colridge, will be in Oakland July 21. The meeting for the third district is scheduled for Sacramento July 22, second district, Willows, July 23 and first district at Eureka July 24-25, with the Humboldt association acting as hosts at a deep sea fishing party the last day. A discussion of local problems, the agency qualification law and the national convention in Los Angeles in September are the principal topics scheduled for discussion.

Swearingen Elected M. L. G.

San Francisco Blue Goose Honors America Fore Field Man at Its Annual Meeting

SAN FRANCISCO, July 1.—R. E. Swearingen, America Fore, was elected most loyal gander of the San Francisco Blue Goose at its annual meeting Monday. He succeeds E. M. Northup, Great American, who was presented with a gold emblem by J. W. Stevens, representing the membership. J. H. Schively reported membership of the pond at 450.

Greater Cooperation Urged

In his retiring message Mr. Northup urged members to encourage other ponds to cooperate to greater extent with the grand nest. Delegates elected to grand nest meeting were E. M. Northup and R. M. Carr. Other officers elected were Bruce Smith, supervisor; George Cusick, custodian; W. E. Schoppe, guardian; J. I. Thomas, keeper; J. H. Schively, welder; Charles Von Tegen, S. McPherson, E. W. Small, Elmer Bonstin, M. Paxton and G. C. MacDonald, guards. The pond was reported in strong financial condition.

Field Men Meet

LOS ANGELES, July 1.—Last week H. F. Badger, secretary of the Pacific Board, and Richard Waldron, southern California district secretary, met here with approximately 50 field men. The separation movement in southern California and non-board competition were discussed.

Holman Opens Own Office

John D. Holman, formerly a well known insurance executive in San Francisco, and recently in charge of the insurance department of the H. G. Ferguson Corporation of Los Angeles, is now operating in the latter city as John

D. Holman & Co., representing the Agricultural and London Assurance.

Hutchings Succeeds Vallentyne

E. M. Hutchings has been appointed special agent for state of Washington for the Fire Association. Mr. Hutchings formerly represented the company at Spokane. He succeeds H. J. Vallentyne, who resigned recently to go with the United Pacific Fire.

L. S. Gregory, assistant secretary of Fireman's Fund, left the head office June 20 for a three weeks' agency trip through Montana.

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EASTERN STATES ACTIVITIES

Gov. Pinchot Acts on Bills

Vetoes Measure Permitting Investment in Bonds or Notes of Solvent Utilities

Governor Pinchot of Pennsylvania has vetoed the bill which would have permitted domestic stock fire and marine companies to invest their capital in bonds or notes of any solvent public utility. The governor stated, "There is no evidence of a need for extending the investment powers of insurance companies at this time, however safe and sound such securities may be. In these days of sharp declines in stocks and bonds it would be unwise to permit the investment of the capital of these companies in securities of the class specified in this bill."

What Bills Were Signed

Among the bills which Governor Pinchot signed was a measure providing for the imposition of further penalties by the commissioner, further clarifying the kinds of insurance exempted from provisions relating to health and accident insurance, increasing the surplus required for fire and marine companies to be licensed in Pennsylvania, forbidding discrimination of the use of policies or forms unless approved by the commissioner, providing for the issuance of policies governing smoke and smudge damage and aircraft and motor vehicle property damage; providing for the filing of amended charters and specifications thereof in merger proceedings; giving the insurance commissioner authority to permit stock, fire and marine companies to invest reserves in securities of foreign governments, defining the rights and responsibilities of fire companies in the payment of dividends to stockholders and providing further deductions for tax purposes.

The governor also signed a measure providing for the imposition of fines by the commissioner for violation of the act regulating the licensing of agents and including public adjusters within the act.

Agents Protest Part-Timers

New Jersey Local Men Gather at Newark—Attack Indiscriminate Appointments By Companies

NEWARK, July 1.—A large number of insurance agents from all parts of New Jersey met here last week to protest the indiscriminate representation of insurance companies by part-time and non-policy-writing agents. The agents claimed that many companies are appointing owners of property as agents and paying them commissions and that the companies employing such tactics are not in sympathy with the American agency system. It was resolved at the meeting that "such companies or group of companies can no longer expect aid, support or representation." There was also some discussion as to what action could be taken to have the qualification bill, which was defeated at this year's New Jersey legislature, brought up again next year. Another meeting will be held in the near future to discuss further plans on fighting the part-time and non-policy writing agents.

Incendiary Fires Increase

BOSTON, July 1.—Fires of unknown and incendiary origin show decided increases in number and value of property destroyed during 1930 in Massachusetts, according to the annual report of the state fire marshal. Fires of undetermined origin showed an increase of 104 over 1929, and the loss amounted to \$3,446,293, an increase of \$81,017.

"Miss Insurance"



MISS RUTH M. McMULLEN

Miss Ruth M. McMullen of the Ocean Accident was chosen "Miss Insurance" for 1931 at the third annual outing of the Insurance Club of Pittsburgh.

Miss Emma E. Reich took second place and third place was awarded Miss Mary M. Stevens. The judges were J. W. Arrott, Jr., Col. H. C. Fry, Jr., C. C. Kohne, C. A. Reid, C. V. Watkins assisted by the club officers: President C. A. Bokman, P. C. McKnight, E. E. Cole, Jr., J. C. McCarthy and J. J. O'Donnell.

The outing was attended by over 200 people.

The loss from incendiary fires amounted to \$984,622, or an increase of \$623,037.

Start Worcester "Ad" Campaign

WORCESTER, MASS., July 1.—The Worcester Board is sponsoring a cooperative institutional advertising campaign to be shared in by all members of the board.

At the last meeting J. W. Longnecker, advertising manager Hartford Fire, spoke and offered his cooperation in the campaign.

Firemen for Training School

BOSTON, July 1.—The New England Association of Fire Chiefs, meeting here, adopted the suggestion of Assistant Secretary John S. Caldwell of the New England Insurance Exchange and voted unanimously to favor the immediate establishment of a fire prevention school at which picked men would be trained so that they can later teach others associated with them along similar lines. Boston firemen would first be trained and later those from other New England cities and towns.

Eastern Notes

Joseph M. Bass & Co., Newark adjusting firm, has been incorporated by J. M. Bass, N. I. Bass and G. B. Bierman.

The American Brokers, Elizabeth N. J., has been incorporated by R. J. Gorman, S. C. Wood and E. S. Williams, all of New York.

Jenkins Succeeds Woodland

C. W. I. Woodland retired June 30 as general manager of the Merchants Marine of London and Employers Liability for Canada and Newfoundland, and has been succeeded by John Jenkins of Montreal, who was assistant Canadian manager for both companies.

Canadian Field Happenings

Riddell Canadian President

Fire Underwriters Association Holds Annual Meeting at St. Andrews—Laidlaw Low Golfer

TORONTO, July 1.—At the annual meeting of the Canadian Fire Underwriters Association at St. Andrews, N. B., the following officers were elected:

President, J. H. Riddell, Toronto, Canadian manager Eagle, Star & British Dominions, and the British Crown; vice-president for Quebec, J. H. Labelle, Montreal, Canadian manager Queen; vice-president for Ontario, W. R. Houghton, Toronto, Canadian manager London & Lancashire Fire. Directors are: P. L. Monkman, Montreal, Yorkshire; Kenneth Thom, Toronto, Western and British America; R. L. Stalling, Toronto, Sun; C. E. Sword, Toronto, Union of Canton; John Jenkins, Montreal, Employers' Liability; T. H. Hall, Toronto, General Accident; A. Hurry, Montreal, Northern; A. M. M. Kirkpatrick, Toronto, Aetna; W. P. Kennedy, Montreal, London Assurance; P. A. McCallum, Toronto, Hartford; B. E. Hards, Montreal, Guardian; and H. C. Bourne, Montreal, Mount Royal.

The golf tournament, as usual, was a feature of the meeting, and it resulted in Montreal retaining the trophy by 21 points to 8. Sixteen players on each side represented Montreal and Toronto. The prize winners were: J. B. Laidlaw, Toronto, 68 net; A. Samoisette, Montreal, 70 net; W. Lawrie, Montreal, 72 net; J. W. Holroyd, Montreal, 73 net; W. P. Kennedy, Montreal, 73 net.

New British Columbia Officers

VANCOUVER, July 1.—New officers elected by the British Columbia Insurance Underwriters Association include A. W. Blake, honorary president; J. A. Young, vice-president; John L. Noble, honorary secretary. The fire branch executive committee includes C. V. Wakely, A. W. Blake, W. R. Brydon, J. H. Harrison, R. Long, F. W. Rounsefell, F. W. Gaston, W. G. Gerrald, Arthur Huddell, E. W. Lowe, J. M. Mendell and H. Fellows. Automobile executive committee, W. E. Sloan, chairman; F. C. Bradfoot, R. C. Janion, J. E. Rose, J. H. Harrison, S. Clegg, D. S. Layton, R. B. Speers, J. A. Young, F. W. McLaine, R. Winkler and A. C. S. Pitts.

Quebec Brokers Elect

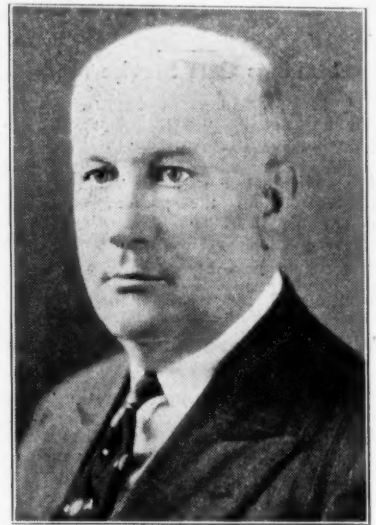
MONTREAL, July 1.—At the annual meeting of the Insurance Brokers Association of the Province of Quebec, these officers were elected: President, C. H. Hanson, Montreal; chairman executive committee, D. A. Hanson, Montreal; vice-presidents, P. A. Boutin, Quebec; H. Raymond, St. Hyacinthe; M. A. J. Gauthier, Montreal, and Arthur McBean, Montreal; secretary, J. C. d'Auteuil; directors, J. A. Gagnon, Montreal; F. J. Conway, Sherbrooke; E. R. Byatt, Montreal; J. O. A. Tessier, Quebec; Stuart Rolland, Montreal; A. I. Gravel, Three Rivers; Emile Girard, Montreal; J. L. Champigny, Grand Mere; O. W. Dettmers, Montreal, and Thomas Boivin, Chicoutimi.

B. A. Dugal, Quebec, insurance superintendent, spoke briefly at the dinner.

Toronto Institute Election

TORONTO, July 1.—At the annual meeting of the Insurance Institute of Toronto, the following officers were elected: President, W. H. Burgess, Canadian Surety; vice-president, L. K. File, Canada Life; secretary-treasurer,

New Hampshire Official Returns to Old Post



JOHN E. SULLIVAN

The National Convention of Insurance Commissioners will welcome wholeheartedly the return of John Sullivan to the head of the insurance department in New Hampshire. He attended the annual meeting in Hartford and shortly thereafter resigned the insurance portfolio to become state bank commissioner. He still kept his hands on the insurance department. Now he comes back to his old department.

Clifford Elvins, Imperial Life; librarian, R. F. Smith, Liverpool & London & Globe. The council includes the past presidents and C. S. Macdonald, Confederation Life; C. H. Fuller, Continental Life; S. G. Reid, Employers Liability; C. P. Muckle, Excelsior Life; J. G. Parker, Imperial Life; W. R. Houghton, London & Lancashire; George Weir, London Guarantee & Accident; J. H. Lithgow, Manufacturers Life; J. W. Fisher, National Life; W. G. Galloway, North American Life; W. A. Thomson, Norwich Union; C. E. Sword, Union of Canton.

Ontario Blue Goose Elects

The Ontario Blue Goose held its annual meeting and field day at Toronto. The following officers were elected: Most loyal gander, R. H. Leckey; supervisor, K. W. Jamieson; custodian, L. T. Hargreaves; guardian, W. L. Patterson; keeper, W. A. Carter; welder, H. M. Gibb.

Adopt Merit Rating Plan

TORONTO, July 1.—The Canadian General and Toronto General have inaugurated merit rating on automobile insurance, with discounts of from 10 percent to 20 percent according to the period during which the insured has had no accidents.

No School Rate Probe

TORONTO, July 1.—A proposal that a committee should investigate fire insurance costs of rural schools found faint support in a meeting here of the trustees' section of the Ontario Educational Association. The secretary of the Saskatchewan trustees outlined the plan formulated by the trustees in that province, which had caused fire insurance premiums for schools to be cut 20 percent.

Canadian Notes

The Automobile of Hartford has been licensed in Canada.

The Edmonton insurance firm of Burgess, Duggan, Ltd., has acquired the business of N. A. Kilburn.

MOTOR INSURANCE NEWS

Alton Award Set Aside; Fraud

Agricultural Wins Notable Victory in U. S. Court—Takes Offensive Against Auto Dealer

The Agricultural has won a notable legal victory in the United States district court for the southern district of Illinois, a special master recommending to Judge Fitz Henry that an award of \$5,256 against the company in behalf of Reiley Brothers of Alton, Ill., under an automobile dealer's average rate policy, be set aside because of fraud. The case is significant because the company successfully took the offensive against the claimant. Samuel Levin of Silber, Isaacs, Silber & Woley of Chicago, represented the Agricultural.

Mr. Levin states that since the master found that fraud was committed by the assured in conjunction with a public adjuster and others, the effect is to avoid the policy by reason of the fraud or attempted fraud under the conditions of the policy itself.

Loss Occurred in 1928

Reiley Brothers Jan. 12, 1928, suffered a loss of several used cars when the Armory building of Alton burned. Reiley Brothers retained Ray Berner, Alton adjuster, and submitted a proof of loss for \$5,258, being the trade-in value of the cars; plus 15 percent for overhead.

Thereupon O. A. Morris, adjuster for the Agricultural, and Berner entered into a non-waiver instrument, under which they agreed to submit the ascertainment of the loss and damage to appraisers. The Agricultural selected C. M. Strawn of Alexander, Ill., and Reiley Bros. selected J. J. Rubenstein, Alton. The master reported that Rubenstein was not a disinterested appraiser.

Strawn and Rubenstein were unable to agree on an umpire and the master declared that Rubenstein "wilfully, deliberately, unlawfully and designedly" delayed the selection of an umpire for 15 days. Taking advantage of the 15 day cause, Reiley Brothers secured the appointment of Robert Davis of Alton as umpire by the city court of Alton. Thereupon Strawn resigned as appraiser on the ground that Davis was not a disinterested umpire. Rubenstein and Davis brought in a purported award of \$5,256 which the master declared was not a fair, disinterested and impartial appraisal.

The report of the master followed the granting of a temporary injunction by Judge Fitz Henry at the request of Mr. Levin.

National Auto Club Will Extend Service to England

SAN FRANCISCO, July 1.—Members of the National Automobile Club touring through England will in the future find the services of the club at their disposal in that country. That arrangement has been complete with the C. & M. (Civil and Military) Agency, Abbey House, 2 Victoria street, Westminster, London, S. W. 1., to serve as the N. C. A.'s English headquarters. All privileges of the agency will be placed at the disposal of club members, it is stated.

The contact with the London organization is the result of a campaign recently undertaken by the National Automobile Club to extend its road service. So far arrangements have been made with most of the leading auto clubs and touring bureaus in this country, and it is anticipated that a nation-wide hookup with organizations in the field will be completed in the very near future.

Two All-Risk Proposals Made

Chicago Superintendents Suggest Form Modeled After Personal Effects Floater—Also Special Rider

Two proposals are being submitted to the National Automobile Underwriters Association, which is now seriously tackling the job of promulgating an all-risk form, by the automobile actuarial committee of Chicago. Sessions were held in New York Tuesday on the all-risk problem.

The proposals of the Chicago committee dovetail to a large extent. One suggestion is that an all-risk form be offered, including fire, theft, full coverage collision, tornado, riot and explosion, flood, accidental discharge of water, in fact all perils except ordinary wear and tear. It would be modeled after the personal effects floater.

Second Form Suggested

The second form suggested is for those who desire the all-risk protection, but are deterred because of the expensive item of full cover collision. The Chicago committee suggests a special endorsement covering all perils except collision. The assured under this form could eliminate collision entirely or select any type of collision coverage.

The Chicago committee favors a rate based on the \$100 of valuation instead of a flat rate for the car. The suggested rate for the special endorsement is 25 cents a hundred.

Collusion on Collision Claims

Companies notice that in connection with collision claims a number of people that have the deductible clause are prone to join in collusion with the repair end of the garage and have a bill sent in covering the amount of the automatic reduction if it can possibly be stretched to that amount. This means that companies should have their repairing done at stipulated garages if possible. The effort to take advantage of companies on collision claims where there are deductible clauses is apparent.

Nebraska Reiterates Ruling

The Nebraska department issues an order calling attention to the fact that the then Commissioner Dumont in 1927 ruled that the including of privately owned automobiles under fleet policies at reduced rates was in violation of the rebate law inasmuch as it is discrimination. The practice was ordered discontinued. The department finds that some companies and agents are violating this rule. It reiterates the ruling and states that it will enforce it.

Auto Club Changes Carrier

LOS ANGELES, July 1.—It is reported here that the Pacific Coast Automobile Association of this city has discontinued writing insurance on its members in the recently organized Pacific Coast Insurance Association, Los Angeles reciprocal, and is now placing such business with the United Indemnity Association, a San Francisco reciprocal. The San Francisco exchange has opened a branch office in Los Angeles in the Western Pacific building and appointed G. W. Smith as manager. He was formerly manager for the California Highway Indemnity Exchange under the G. T. Mahana management.

Has New Collision Form

AUSTIN, TEX., July 1.—Application of the Southwest Lloyds, San Antonio, Tex., for permission to write a new form of automobile collision insurance, protecting collision liability for more than \$15 and not over \$150, has been

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taken under advisement by the insurance board. The application was presented by former Governor Dan Moody. The new form would be a deductible policy with no liability for claims under \$15. Chairman Tarver said that the board will determine rates for the new insurance if the application is granted.

Wisconsin Valued Policy Bill

A valued policy bill for automobile fire and theft insurance has been introduced in the Wisconsin legislature. It would require payment of the full amount of the policy in case of loss within three months, with reductions of 15 percent if within six months, 22½ percent in nine months and 30 percent in 12 months.

Issues Non-assessable Policy

The Milwaukee Auto Mutual is issuing a non-assessable contract, it having complied with the state law in depositing a guarantee surplus fund of \$312,500. This is the first mutual automobile company in Wisconsin to qualify under this act.

Must Segregate Charges

The New York superintendent has ruled that charges for fire and theft insurance and for financing must be shown separately so the assured knows what he pays for his fire and theft insurance. The department's attention was called to the fact that some companies were

writing automobile finance business under open policies providing for issuance of certificates to assured in which no separation was shown. The ruling is that in these open policies there must be indicated the rate and premium charged under each hazard.

Offers Free Insurance

SEATTLE, July 1.—"Free" insurance for one year to all members who join the American Motor Club of Washington is offered by the organization, including \$10,000 public liability, \$5,000 property damage and a \$10,000 travel accident policy.

Motor Truck Lines Unprofitable

ATLANTA, July 1.—It is understood here that the companies are finding an unprofitable experience on lines carried on motor freight truck lines. It is said that many of the companies are refusing to renew policies for the freight carriers. It is also said that the same conditions apply with motor freight cars owned and operated by the larger chain store organizations.

Regulate Auto Service Concerns

HARTFORD, July 1.—A bill passed at the recent session of the legislature is designed to bring under the authority of the insurance department so-called automobile service corporations, which contract to make repairs or replacements on cars damaged as the result of accidents.

MARINE INSURANCE NEWS

Engagement Ring Floater

New Inland Marine Policy Paves Way for Much Business in Lower Value Brackets

An engagement ring floater has been placed upon the market by at least one company and is being considered by the Inland Marine Underwriters Association of New York. The rates and forms are the same as for the personal jewelry floater, except that a minimum premium of \$15 will be accepted in place of the \$30 required on the other form.

This action is expected to make a great deal of business, as it is intended to stimulate the protection of rings in the lower values up to \$1,200. The rate of \$2.50 per \$100 would make the premium on a \$1,200 ring \$30, which is the minimum on the personal jewelry floater. Heretofore engagement rings of no matter how low value, could be covered only at a \$30 minimum premium.

The companies believe this is a select class of business, as women of course highly prize their engagement rings and will be especially careful not to lose them, and particularly to guard them against theft or burglary. Moral hazard is expected to be low on this new cover as a consequence.

Marine Insurance Data Is Being Gathered

WASHINGTON, D. C., July 1.—Information on which will be based its annual survey of marine insurance written by American and foreign companies in the United States during 1930 now is in process of analysis in the bureau of finance of the United States Shipping Board. Questionnaires were sent to the various companies some time ago, and June 1 was fixed as the date by which they should be returned. On that date, according to officials of the board, replies had been received from 95 percent of the companies.

The companies were asked the total

sums insured, total premiums insured, total ocean hull sums insured, total ocean hull premiums, the last two divided to show insurance in syndicates and outside syndicates, and reinsurances placed with American, foreign admitted and foreign non-admitted companies on hulls and cargo.

Opens Ocean Marine Office

The Northwestern National has appointed Albert Ullmann ocean marine agent with headquarters at 21 South William street, New York City.

The establishment of a marine departmental office in New York is the revival of an old undertaking with the Northwestern National, which was "cradled" in the marine business after opening its business in Milwaukee in July, 1869. The company originated its operations in marine business, and has carried on this business at intervals ever since. However, it has not written this type of business for a number of years.

Convicted of Scuttling Ship

MOBILE, ALA., July 1.—The recent conviction of Capt. J. G. Murphy here on a charge of scuttling the steamship Rose Murphy off the Florida coast in 1927 in order to collect the insurance is one of the few cases of its kind in American marine history according to Mobile shipping officials. He was granted a new trial when it was shown that the prosecutor discussed the verdict with a juror before it was read in open court. The others held for conspiracy in the case are yet to be tried.

Miscellaneous Notes

Reuben Bernhard of Coney Island, N. Y., has been held under bail for alleged soliciting business for an unauthorized insurance company, Superintendent Van Schaick being complainant.

E. T. Wells, member of the Insurance firm of Nutting & Wells of Boston, formed 30 years ago, died of pneumonia at his home in Roslindale. He was 53 years of age. He was a native of Greenfield, Mass., and after graduating from a business college entered the agency of John F. Spring in Greenfield, succeeding C. H. Nutter, who later became his partner in the firm of Nutter & Wells in Boston.

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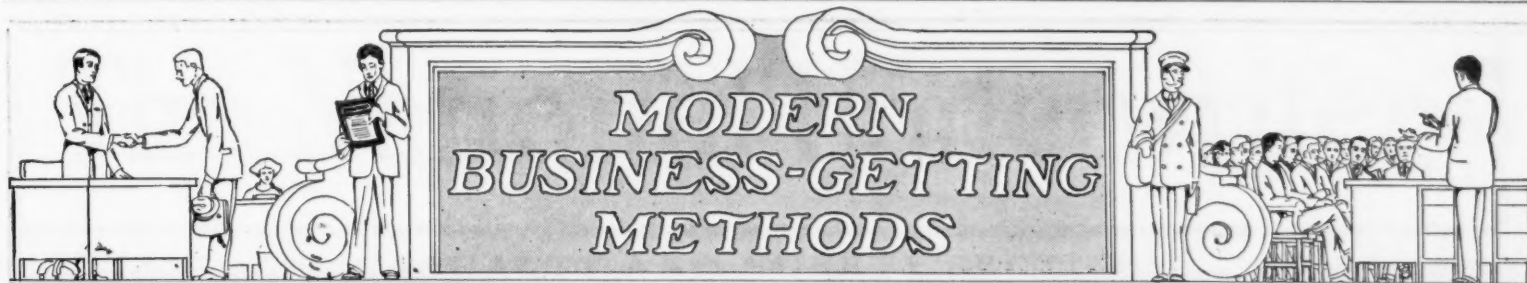
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scription.



H. A. Clark Reviews Fundamentals of Fire Contract at Bureau Meet

H. A. Clark, western manager of the Firemen's and chairman of the Western Insurance Bureau, told members of the Bureau field clubs, in session at Lake Wawasee, Ind., that a number of the underwriting jurisdictions have under consideration promulgation of a rider to cover damage from molten glass. He said there have been losses where liquid glass, flowing around steel structures, has consumed those structures and caused great loss. Damage from this cause is not indemnified under the insurance contract, but it is understood that a recent court decision has held the companies liable. Hence the desirability of attaching an endorsement to cover this hazard is being contemplated.

Mr. Clark's talk was unusual, in that he devoted his attention to everyday and practical questions in the fire insurance field, which are not political, and which Mr. Clark said fire insurance men perhaps take too much for granted. It was homely shop talk and everyone agreed that it was a refreshing relief from the usual back slapping and generalities of convention talks.

Fire Is the Genesis of Insurance Contract

Mr. Clark started by pointing out that fire is the genesis of the insurance contract and the field man above all things must be thoroughly familiar with the contract. The first thing to be determined, after a loss, is whether there has actually been a fire. Then it must be determined whether there was actual combustion and if so, whether the fire was friendly or hostile. Therewith Mr. Clark explained by a number of citations the difference between friendly and hostile fires. For instance, he declared, if a servant inadvertently sweeps jewelry from the floor, and throws the sweepings, including the jewelry, into the furnace, courts have held that this is a friendly fire. Soot burning in the chimney and causing smoke to come in the room is a hostile fire under court decision. He mentioned the case of Austin vs. Drew in which the drying apparatus of a sugar refinery became overheated, causing much sugar to be scorched. This was held to be a friendly fire. Mr. Clark pointed out some of the absurd claims which have been made. He mentioned a claim made for damage to goods from smoke from a passing fire engine.

Cancellation, Substitution Cause Much Litigation

The speaker declared there has been much litigation over cancellation and substitution of policies. When an agent cancels and writes a new policy, but fails to deliver that policy to the assured before a loss occurs, the company issuing the original policy is liable.

Mr. Clark advised the field men to inform agents that the insurance contract should always be written in the name of the owner of property. It should never be written for "the estate of John Smith." The proper method is to have it written, for instance, as "Joseph Smith, John Smith, heirs of William Smith, deceased."

The proper procedure, according to Mr. Clark, when the property of an as-

sured who has died suffers a loss, is to have the heirs arrange for the appointment of a temporary administrator. The loss then can be adjusted with the administrator.

Sound Value Easy to Find in Growing Crops

Mr. Clark sandwiched in some remarks about sound value, which is the cost to the assured of replacing property in like kind and quantity. This, he pointed out, is easy with growing crops, which can be valued at the market price. It is also easy to determine with seasonable property such as straw hats. He pointed out that in a lumber loss the sound value has been held by courts to be the cost of a like amount of lumber to the assured on the market.

Mr. Clark said it is dangerous to the company to make repairs, as this is likely to cause disgruntled clients and the insurance contract is not a contract between the company and the assured

to repair property.

If a fire starts while a policy is in force, but continues after the expiration of the policy, the courts have held, according to Mr. Clark, that the company is liable for the loss until the fire is put out.

The question of demolition insurance caused much discussion. In many states where an ordinance prohibits the replacement of a certain type of building, if it is damaged say 40 or 50 percent, the company is liable for the replacement value of the entire building. In other states, the company is not liable unless demolition insurance was issued. This form of insurance is desirable in all states, however, because litigation usually ensues in a loss of this type, Mr. Clark said.

Unless there is gross negligence, municipalities and other political subdivisions are not liable for failure to put out a fire because of low pressure in the water works or some other deficiency in the fire fighting facilities.

"What to Know About Automobile Insurance," by Doremus, tells the "reason why," too. \$1.50 from The National Underwriter.

Farm Rates Should Fit Each County, S. T. Morrison Asserts

S. T. Morrison of Iowa City, Ia., former president of the Iowa Association of Insurance Agents, is entering the discussion of the program of farm writing companies to reduce the level of insurance to value on farm properties. This program was criticized by President Goodwin of the National Association of Insurance Agents, to whom answer was made by President I. D. Goss of the Farm Association. It is Mr. Morrison's idea that there should be rate and rule differentials as between counties rather than as between the various states.

"One must be very sure of his ground," Mr. Morrison writes, "before answering the assertions as set forth by I. D. Goss, president of the Farm Association. However, the fact remains, that any local agency that enjoys a substantial volume of farm insurance premiums, is indeed having trials and tribulations. We were encouraged to solicit this business for many years, and later on were urged to increase the amounts, and I will not admit the dogmatic assertion of the Farm Association president to, 'Freely admit that any industry passing through a period of serious financial depression is a poor subject for insurance.' Something should be done to save this good business in territories where losses are satisfactory."

Southeastern Iowa

"I will concede that Mr. Goss knows exactly what he is talking about when he says that ten companies write in the neighborhood of 85 percent of the farm business of the middle west. However, I will not concede that he knows more about the farm business in southeastern Iowa than we do. Keep this in mind: That the county that we operate in, and surrounding counties, have not suffered from bad loss ratios, we have had none of these moral hazards, all we know about them is what we read and

hear, but our office is being penalized just the same.

"The statement of President Goodwin of the National Association of Insurance Agents, that one of the ills of the farm business was that companies had appointed Tom, Dick, and Harry for local agents is the truth. Ten years ago the companies were clamoring for more and more farm business and farm soliciting agents were as common as flies. Naturally this irresponsible trio is not so much in evidence now, merely because business is not so good, but a large number of these old policies still remain to plague, not ten, but fifty farm writing companies in our territory."

Mutual Competition

"I am also quite sure that President Goodwin is correct in his assertion that mutual companies are getting a large portion of the desirable farm business. They are continually soliciting the old well-to-do farm owner, and they are not only getting this good business, but they are not having losses. I again think that President Goss is mistaken when he says that mutual competition is hardly worthy of consideration."

"The solution will undoubtedly be found in the equalization of rates. Just as cities find themselves in different classes, so will various counties in a state find a different rate promulgated. Why should counties where a low loss ratio is enjoyed be penalized for the extra heavy losses in other counties? This new idea of calling farm insurance the bad boy of the insurance business, is not just—it's just a habit. I am positively sure that Mr. Goss' statement that, 'The present plans will not change until a change is warranted by a reversal of economic conditions' gives the word of truth to President Goodwin's assertion that, 'something must be done about farm insurance, and the companies should immediately look into it.'"

Rental Cover Offers Opportunity for Profit

Rental insurance, or, as it is commonly known, leasehold, is an unusually profitable form which is overlooked by many agents. A special agent recently journeyed from Chicago to work with a local agent in a down state Illinois city only to have the local inform him that he had about exhausted the possibilities for new risks there. This the special agent did not believe, and on his insistence they started out canvassing. Within an hour they had written a sizeable premium on a bank for rental cover, and in the day they wrote more than \$200 premiums, mostly on this form. It was one type of cover that had been practically overlooked in the town, and a very little bit of digging disclosed that property owners were strongly susceptible to the argument that they protect the expense they would be put to in case of fire in providing other quarters temporarily.

Example of Prominent Agent

No less a well known local agent than A. G. Chapman, head of a former Louisville agency, recently has been enjoying the benefits of rental cover, for Mr. Chapman's house was burned. With the money which his rental policy has been providing, Mr. Chapman was able to pay rent on an excellent apartment which he had taken temporarily immediately across the street from his burned property. He was discommoded neither physically nor financially, and he also was able to keep constant watch on the work of rebuilding his home.

Prospects on Every Side

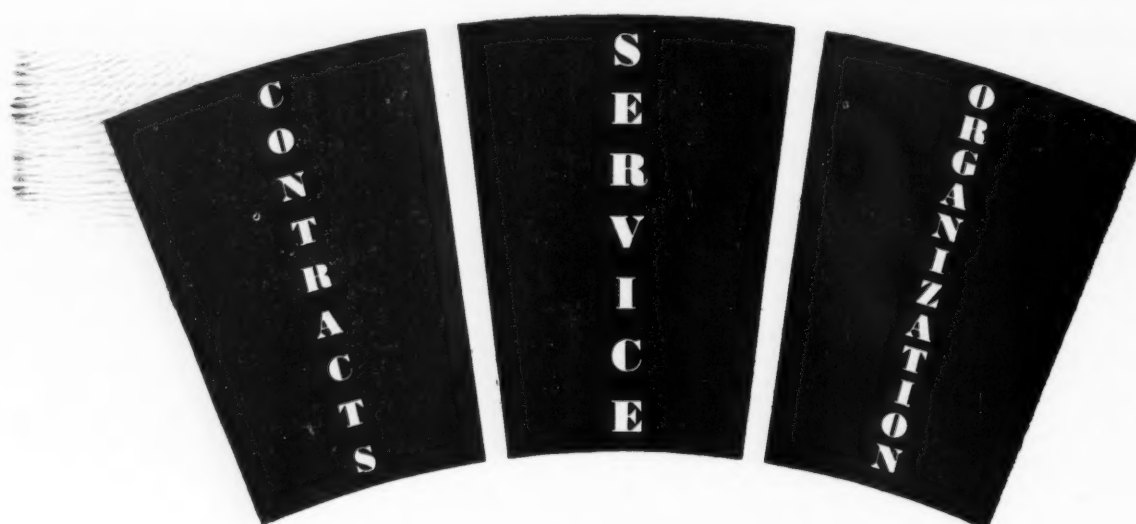
It is pointed out by Chicago managers that almost every risk offers possibilities of selling rental cover. The carriers classify as rental value even the interest which would be obtainable on money invested in a building. Thus a bank which owns its own building and is not actually paying any rent, can get a rental policy covering the amount which it would receive from the sound value represented in the building.

This is a limited form of use and occupancy. Where more complete protection of rent and profits is required, the regular use and occupancy form should be used. It is emphasized that little enough use and occupancy is sold and that agents and brokers may well make up for reduced fire premiums this year by giving more time to such miscellaneous cover.

Are Writing Lawn Features

A number of companies are now writing valuable shade trees and ornamental gardens under what is known as the shade tree coverage. It attaches to the inland marine floater and insures against fire and wind. The limit is usually \$100 per tree. The policy covers hedges, shrubs, plants, flowers and sodding, fences, arbors, ornamental steps, bridges, stepping stones, foundations, bird houses, bird baths, benches, gates and other equipment constituting permanent betterment.

The Ohio Inspection Bureau has just issued new rates for Piqua and Findlay. The bureau will put out the new rates on Delaware in about seven weeks.



Split Three Ways

Why do brokers, life insurance agents and agents sell the Accident contracts of The Employers' Group? We asked several of these gentlemen. Practically all of them gave the same three reasons. Contract, organization, service . . . these three, but the greatest of these is service.

No insurance man can afford to place accident insurance in a company that talks technicalities after the accident.

The Employers' Group doesn't quibble over personal accident claims. And the insurance man appreciates this fact.

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The National Underwriter

July 2, 1931

CASUALTY AND SURETY SECTION

Page Thirty-three

Big Merger Deal at Philadelphia

**Independence Indemnity and Commonwealth Casualty Will
Join Hands**

SHALE TO BE PRESIDENT

**C. M. Hansen of the International Re-
insurance Is the Main Figure in
the Transaction**

PHILADELPHIA, July 1.—Confirmation of the report current for some days past as to impending changes in the affairs of the Independence Indemnity, was made today through official announcement that the directors and those of the Commonwealth Casualty, decided upon a merger of the two institutions subject to the approval of the insurance department of Pennsylvania and the shareholders interested. It is understood the majority stockholders of the two companies have already given their assent.

Holland to Be Chairman

Under the plan C. H. Holland now president of the Independence Indemnity is to become chairman of the board; W. F. Kendrick now president of the Commonwealth Casualty, vice-chairman and J. Horace Shale, to be president and general manager. J. Ray Donohue is vice-president and agency manager and G. R. Dette, secretary. The personnel of the board of the enlarged corporation, while not fully determined upon, will likely embrace many present directors of the now separate companies.

Figures of Merged Company

The enlarged institution, to be known as the Independence Indemnity, will have assets, estimated at, of \$14,000,000; capital of \$1,000,000 and net surplus of at least \$3,000,000. Carl M. Hansen, founder and president of the International Reinsurance, which has a capital of \$1,500,000 and a surplus beyond \$3,000,000 recently gained control of the Commonwealth Casualty and materially improved its financial structure. In conjunction with his associates Mr. Hansen later purchased controlling interest in the Independence Indemnity and will be the dominant factor in the combined institutions. The Independence Indemnity held virtual control of the Independence Fire, using it as its fire running mate. The management of the latter company will be continued by Corroon & Reynolds of New York City, the corporation being brought into closer relationship with the other fire companies composing the group.

It is understood that the Liberty Surety Bond of Trenton, N. J., will be taken in.

The Independence Indemnity, which is headed by President C. H. Holland, was organized the later part of 1922. Its

Accident Policy Clauses, Rates Made Mandatory

NEW YORK, July 1.—Officials of the Bureau of Personal Accident & Health Underwriters do not look for any resignations from that organization as a result of the adoption of the new underwriting program at the meeting here last week. Unqualified assent to the new program was given by 26 companies, writing more than \$55,000,000 out of the \$66,000,000 in accident and health premiums credited to bureau companies. Six companies voted no. Five voted yes with reservations and the others were recorded as not voting, which would indicate that they were not entirely satisfied with the program as presented. It is believed, however, that the great majority if not all of the companies will get in line before Oct. 1, when the filings under the new program must be made.

Must File Acceptance

One of the proposals adopted provides that each member of the bureau shall file with it a copy of the program "and by such act shall be considered to have declared its full and complete acceptance thereof and its purpose to make full compliance with all of the requirements of this program." No announcement has been made yet as to just what the status of a company will be if it fails to file such an acceptance.

The two outstanding features of the program as adopted are that it makes mandatory that member companies "adopt the intent and also follow substantially the language" proposed for certain major policy clauses, and gives the bureau power to establish rates, which shall be mandatory on all new business written after Jan. 1, 1932. The accident insuring clause contains the "accidental means" provision and it is also stated

that care should be taken to use an exception clause in the policy.

The accident total disability clause is the one now generally used by bureau companies, which limits the indemnity for inability to perform the duties of "his occupation" to 52 weeks and "any occupation" thereafter. Accident partial disability benefits are limited to two-fifths indemnity for not exceeding 26 weeks.

In the health insurance clause the words "disease" or "sickness" or both may be used. Sickness is covered only if assured is attended by a licensed physician and only after 15 days from the date of the policy. The disease or sickness must be contracted and disability begin during the term of the policy.

Optional clauses are provided for the health policy, one allowing full indemnity for non-house-confining illness, the other requiring house confinement for full indemnity, paying only half for non-confining. In either case the indemnity period is to be limited to 52 weeks.

The bureau plans to send out to member companies "advisory policies" containing these mandatory provisions and also other clauses referred to in the original underwriting report, including hospital or nurse, surgical, specific loss, reimbursement, exceptions, clause, double indemnity and aviation inclusion clauses. Six such policies will be prepared, including accident policies with and without medical reimbursement; health policies, with and without house confinement limitation; disability policies (accident excluding medical reimbursement) with or without house confinement.

It is not mandatory for any company to adopt these policies, but the hope is expressed that many companies may decide to do so without modification.

Industrial, "Non-Can" Excluded

The program applies to all forms of commercial accident, health and disability policies, including automobile accident or other special or so-called limited coverage contracts issued for risks classed A, B, C and D. It does not include industrial business or non-cancelable policies issued on a plan under which the assured has the right of renewal up to a specified age and disability indemnity is payable for life. Other forms of so-called "non-can" come under the program.

Members are required to adopt the bureau classification manual before Jan. 1, but may with the consent of the governing committee adopt a manual substantially the same for the first four classes of risks, which would make it possible for companies desiring to do so to use the Health & Accident Underwriters Conference manual.

All policies which are to be used after Jan. 1 must be filed with the bureau by Oct. 1 with the rates applying to them. The bureau will review such rates and approve them or name substitute rates. Any companies taking exception to the rates established have the right of appeal to the governing committee of the bureau.

Surety Officials Discuss Problem

**Depository Bond Question Is One
Perplexing the Minds of
Executives**

MEETING IN NEW YORK

**Subject Is Assigned to the Towner Bu-
reau for Early and Intensive
Study**

NEW YORK, July 1.—According to a tabulation of the "American Banker" of New York, 671 banks, with aggregate deposits of \$511,048,000, closed their doors since the first of the year. Exercised over the many large losses suffered under depository bonds within the past few months executives of a number of leading surety companies were in conference here on the general subject. Each frankly told the experience of his particular office and voiced his views as to a course of procedure. It was finally agreed to refer the matter to the Towner Rating Bureau for early and intensive study.

Banks Might Use Their Collateral

In the minds of some underwriters any substantial increase in rates would result in many banks putting up collateral of their own and dispensing with surety bonds, thereby losing to the companies their best risks and giving them an adverse selection. Withdrawal from the depository bond field is held to be impractical in that such procedure would prejudice fidelity, bankers blanket and other lines and would be tantamount to quitting business altogether.

The desirability of adopting a cancellation clause in bonds, particularly upon certain forms used in Pennsylvania, was talked of, but without action being taken, the matter being one strictly within the province of the Surety Association of America.

Direct writing companies have been considerably embarrassed by the cancellation of lines by reinsurers. It was felt some rule should be adopted whereby a reinsuring office would be obligated to continue its coverage concurrently with that of the primary writing institution. It is evident that as a result of existing unsatisfactory conditions in the depository and related fields reformative methods in handling the business will be adopted before long, though just what these will be is as yet a matter for conjecture.

Through a series of years salvages from failed national banks averaged 78 percent, but with banks now holding bonds of South American republics and certain European governments, which have suffered a heavy market decline, the estimate is that if salvages average 50 percent, the interested companies should consider themselves fortunate.

(CONTINUED ON PAGE 40)

Liability and P. D. Rates Are Raised in Five States

CHEAP CAR TARIFF BOOSTED

Increase in Losses Necessitates Change
in Alabama, Arkansas, Minne-
sota, North, South Carolina

NEW YORK, July 1.—As of June 29 new rates for automobile public liability and property damage became effective in Alabama, Arkansas, Minnesota, North and South Carolina for all company members of the National Bureau of Casualty & Surety Underwriters.

As might have been expected in view of the known heavy increase in the loss experience the new rates in each of the five states are substantially higher. In Minnesota, for example, the new rate for public liability on private passenger cars in Class W, is \$48 in territory I; \$42 in territories II, III and IV, and \$16 in territory V. The charge for property damage upon the same car classification is \$19 in territory I; \$14 in territory II; \$12 in territories III and IV and \$6 in territory V.

On commercial cars heavy, medium and light, the public liability rate is \$176 with \$131 for property damage in territory I; \$100 and \$86 respectively in territory II; \$176 and \$131 in territory III; \$100 and \$86 in territory IV and \$68 and \$38 respectively in territory V.

Territory III comprises Minneapolis and St. Paul, and the following towns, villages and townships: Brooklyn Center, Columbia Heights, Crystal, Edina, Fridley, Golend Valley, Hazel Park, Hopkins, Mendota, New Canada, Newport, North St. Paul, Richfield, Robbinsdale, Rose, St. Anthony, St. Louis Park, St. Paul Park, South St. Paul, Thorpe Addition and West St. Paul.

Opportunity to Sell Lost Instrument Bonds Shown

The United States Fidelity & Guaranty is urging its agents to inform American Legion posts in their neighborhood of their facilities for issuing lost instrument bonds, covering bonus certificates to veterans. A veteran, to avail himself of the loan under the adjustment recently authorized by congress, must pledge with the Veterans' Bureau as security the original or duplicate certificate. Many of these certificates have been lost or destroyed and duplicates can be obtained only by furnishing the government with a bond of indemnity for the full amount of certificate.

The rate of premium is 1 1/4 percent of the penalty of the bond, subject to a minimum of \$10 for bonds in excess of \$200 and \$5 for bonds of \$200 and under. Only one premium is charged and it covers for the life of the bond.

F. & C. Research Folks Produce Poetic Stuff

The Fidelity & Casualty has hit the "New Yorker." Under the caption "Milk and Watery," the following epic is printed:

The Fidelity & Casualty Company
Of New York City
Reports that baseball
Is our most dangerous sport,
Resulting in the greatest
Number of accidents.

And that ping-pong
Is the least dangerous,
Being even "safer"
Than playing with children."

Companies and State Meet on Acquisition Cost Issue

Representatives of the New York department and of the conference on acquisition and field supervision costs for casualty insurance gathered in New York to discuss a program to aid the New York department in its reform crusade. The point was brought out that the acquisition costs of the business are increasing at the time profits are decreasing, which is described as a wholly illogical situation. It was reported that definite plans are being worked out to clear up the Chicago and California situation.

The session was presided over by James A. Beha, manager of the National Bureau of Casualty & Surety Underwriters, who is chairman of the acquisition cost conference. The New York department representatives were Deputy Superintendent C. P. Butler and J. A. Magrath, chief of the rating bureau.

Company representatives were W. L. Mooney, Aetna Life; W. C. Billings and F. A. Christensen, Fidelity & Casualty; E. J. Schofield, Globe; Paul Rutherford, Hartford Accident; C. F. Frizzell, Indemnity of North America; F. H. Burns, Maryland Casualty; H. A. Giddings, R. J. Sullivan, and T. W. Smith, Travelers; J. J. Meador, U. S. Casualty and W. A. Edgar, U. S. F. & G.

Reductions in Machinery Insurance Rates Announced

Substantial rate reductions and other changes in machinery insurance are announced by the boiler and machinery department of the National Bureau of Casualty & Surety Underwriters. Minor changes have also been made in the boiler line.

All forms of turbine insurance, except explosion coverage, for steam turbines and water turbines over 1,000 kilowatts are cheaper, the reduction increasing in proportion to the size of the machine. A simplification in the application of rates effects a further reduction in premiums for plants having turbines over 5,000 kilowatts.

New rates are provided for in combined coverage which covers breakdown on the electrical end of the turbine as well as the restricted explosion coverage. Combining of the two classifications for pulleys, reducing the total number of types from five to three results in a reduced rate for balance wheels and for pulleys on engines, and an increased rate for wood rim wheels.

Similar rate reductions have been promulgated for rotating electrical machines, applying to those of large size. The deductible liability rate table has been revised, providing a more substantial premium reduction for excess cover. There have been minor rate changes in connection with use and occupancy and a simplification in the rating of balance wheels and pulleys due to reduction in the number of wheel classifications.

Indifference of Public to Auto Accidents Condemned

The complacency of the public in the face of the fact that more than 30,000 persons are being killed each year in automobile accidents in this country was declared to be unaccountable by M. E. Pew, editor of "Editor and Publisher," who made a recent address over Travelers station WTIC in Hartford. Mr. Pew called upon the people to shake off what he termed "torpor of indifference," and to discard the notion that automobile accidents are bound to happen. He pointed out that 20 years ago the general view was that nothing could be done to prevent railroad accidents and yet today those accidents are negligible.

Chicago Committee Hopes to Get Companies Pledged

OUTLOOK IS MORE FAVORABLE

Local Contingent Expects Visit from
Manager Beha of the National
Bureau Soon

Members of the casualty committee in Chicago, who have been cooperating with the company committee in the east with regard to the organization of a new association in the city composed of general agents and managers to deal with violations, expect General Manager Beha of the National Bureau of Casualty & Surety Underwriters to visit the city next week or the week after. When Mr. Beha was in Chicago attending the meeting of the National Convention of Insurance Commissioners, he had luncheon with the Chicago committee and stated that he was being successful in getting company signatures to the agreement that was drawn up in New York when the company and Chicago committees met.

Agreement Possesses Teeth

That provided for a \$1,000 deposit on part of each company and \$250 for each manager and general agent, these sums to be used in case fines are invoked. The local Chicago people declared that unless there were teeth in the agreement there was little use in trying to bring the scattered threads together. There are about five companies that are regarded as chief offenders. If these can be brought into line the Chicago situation will likely be settled soon.

Will Have New Chicago Body

If the companies sign the agreement it is proposed to organize a new casualty body in Chicago and put teeth in the rules. It is said that no Chicago agreement can be effective unless all companies that participate in the acquisition cost conference will sign the pledge. At the Beha luncheon it was stated that 63 of these 71 companies had signified their willingness to adopt the Chicago plan. They represent 90 percent of the membership and write about 96 percent of the business. The rest of the signatures have to be secured. The main violations in Chicago consist of excess commissions, rate cutting and granting concessions not allowed by the rules.

Questionnaire Shows 80 Per Cent of Planes Uninsured

The Barber & Baldwin organization is receiving answers to a questionnaire, which was sent to all owners of aircraft in this country, inquiring as to their insurance coverage. Early returns indicate that not more than 20 percent of the aircraft owners carry any sort of insurance. The 80 percent, who are not insured, include small commercial lines, operating two or three planes. The results of this survey will probably be used by Barber & Baldwin as indicating to agents that the saturation point is far from being reached in aviation insurance.

Offers Oil Station Coverage

The Nebraska Petroleum Marketers, Inc., is pushing the sale to members of a policy, furnished at a minimum charge of \$50 a year where distributors handle less than 300,000 gallons of merchandise, to cover mistakes in delivery by drivers or filling station attendants. It is also offering \$5,000-\$10,000 public liability and property damage coverage at a flat cost of \$10 per year per station, and fire insurance at 35 cents on equipment and 60 cents on stock.

Bank Failures Are Causing Serious Situation in Surety

ALL COMPANIES NOW TIGHT

Loss of Substantial Allied Premiums
Due to Closing of Hundreds of In-
stitutions Disturbing Factor

NEW YORK, July 1.—Practically all companies writing depository bonds are concerned in the failure of the Security Home Trust Company of Toledo, long regarded as one of the most secure financial institutions in Ohio.

Scarcely had news of its predicament been received when word came that the Pontiac Commercial & Savings Bank of Pontiac, Mich., also had closed its doors. Both banks were closed because of "frozen" loans, largely on real estate.

The numerous bank failures of the past year, especially since November, emphasize the serious situation confronting surety companies which have issued these non-cancellable bonds. Indemnity is granted when a bank is prosperous, and yet undiscerned faults in management, or radical changes in general business conditions may completely change the picture in a short time.

Non-Cancellable Feature

Though surety companies may have knowledge of dangerous conditions, they are powerless to act, for their bonds covering state funds are non-cancellable within two years, and on county funds, three years.

Not for a long period have depository losses been as severe as during 1930 and 1931. Every company in the business has paid out substantially under this cover. The one redeeming feature is that losses have driven home to municipal officials and others entrusted with control of public funds the need for protecting them through bonds in reliable surety companies.

Lesson to Public Officials

Experience has demonstrated that even old established and presumably highly responsible financial institutions can and do get into the hands of receivers, and even when there is salvage it is only on a percentage basis and usually after many months, and sometimes years.

Company officials, although they are quite naturally exercised over the numerous bank failures and the losses they have suffered confess their inability to do anything to deal adequately with the situation. An increase in rates is not the answer, for this was done in January, and a further increase probably would drive some of the best business off the books, leaving less desirable risks. All companies are now ultra-conservative in accepting risks, holding net lines to limits far below former levels.

Correlated Problems

Even though the offices went to the extent of declining any longer to write depository bonds, they would yet feel the effect of bank failures in other directions. Contractors, for example, are finding themselves unable to proceed with their work because their funds are tied up, and they would have to be financed by surety companies obligated on contract bonds. The same would hold with respect to funds deposited by administrators or in judicial proceedings.

Perhaps one of the most disturbing factors is the loss of many allied surety lines on closed banks. The bankers' blanket bonds have been a profitable business and doubtless the aggregate premiums on this form alone lost through the closing of hundreds of banks throughout the country in the last few months is sufficient to give any surety man insomnia.

Growing Use of Show Windows

J. W. Marden Talked on Plate Glass Insurance in Modern Merchandizing

IMPORTANCE POINTED OUT

Salesmanship Factor Becomes Prominent in the Effort to Display Goods to Advantage

NEW YORK, July 1.—Motion pictures of plate glass manufacture in the Ford Motor Company plant were a feature of the final lecture of a series of four arranged by the recently organized New York Plate Glass Service Bureau of the National Bureau. The speaker was J. W. Marden, manager of the service bureau, who spoke on claims and subrogations.

The growing use of the show window in selling merchandise has made the replacement feature of plate glass insurance of vastly increased importance, Mr. Marden pointed out. It has also increased the use of the more expensive types of glass.

Living in a Glass Age

"It may well be said that we are living in the glass age," said Mr. Marden, "for there has never been a time in the history of business when the show window has played such an important part in salesmanship and merchandising. Our modern buildings are being constructed from plans which require more glass. We are going back in many respects to the early days of glass, in that we are using a greater amount of artistic glass."

"It is a usual thing today to find store fronts being constructed with a highly decorative carved glass of considerable value. In New York City there is a store of comparatively small dimensions that has glass in the front which cost \$100,000 to furnish and install."

Surveyors Getting Information

Mr. Marden pointed out a valuable psychological fact for the use of surveyors in getting information after a breakage has occurred. Some surveyors, he said, adopt the method of immediately proceeding with measuring the broken glass, drawing diagrams of the breakage data, etc., while other surveyors proceed first to question the assured or occupant of the premises as to when the breakage occurred, securing the date, hour, case, names and addresses of those responsible, and then measuring the broken glass.

Withholds Information

"The latter method has a certain value over the former," Mr. Marden said, "for when the surveyor first secures the measurements, folds up his rule and puts it away, the assured or occupant is likely to be impressed with the thought that the investigation is closed, and that in a short time the motor truck will arrive with the new glass. He therefore withholds valuable information, which the companies should have in their endeavor to effect a recovery from the responsible person or persons or to establish the correct cause."

The series of lectures has aroused widespread interest. There have been a number of inquiries as to the possibilities of the entire series being printed and distributed in pamphlet form. If there is sufficient demand it is probable that this will be done.

San Francisco's new \$1,250,000 Seals Stadium has been insured in the Hartford Accident & Indemnity under a general liability policy.

Agents Obligated to Refund the Unearned Commission

DECISION OF FEDERAL COURT

Case Came Up Where Company Cancelled Policies Because of the Unsatisfactory Conditions

The United States circuit court of appeals for the sixth circuit in the case of Independence Indemnity vs. Dreyfus holds that where the contract of a general agent provides for the return of the full commission on the "part of any premium returned to the insured," cancellation of all policies in his territory because of unsatisfactory conditions affecting the risks in general, imposes on the agent the obligation to return the commissions unearned to the policyholders.

"The general intent of the agency contract," said the court, "when read in connection with the admitted right of cancellation by the company, was the agent's commissions should be limited to the stated percentages of premiums earned, that is, received and retained,

Case of Insolvent Company

"A different rule is perhaps applicable when the insurance company becomes insolvent and is thus unable to perform its contracts, instead of simply exercising an acknowledged right of cancellation, or where the agency contract is silent as to the agent's obligation to make return.

"But we are unable to see any distinction in law between the cancellation of all policies within a given territory, because of unsatisfactory conditions affecting all risks in such territory, and the cancellation of but certain policies because of conditions affecting the risk only as regards those policies.

"In either event, the agent's compensation is limited to commissions upon the several portions of the premiums earned before cancellation, and the agent is under expressly defined obligation to return to the company the commissions computed upon the unearned portions of the premiums which had theretofore been retained."

Companies Can Be Parties in Wisconsin Damage Suits

MADISON, WIS., July 1.—Insurance companies can now be made defendants in Wisconsin suits in which their insureds are involved, Governor LaFollette having signed the Severson bill, which provides that in case of any accident a person injured may sue the party to blame for the injury and the insurance company which has his insurance. The Wisconsin supreme court in two decisions has held that under previous laws the joining of an insurance company might result in excessive damages. It is claimed that in a jury trial that if the jurists knew that an insurance company would have to pay they would be more willing to make a larger award. Physicians are exempt from the bill in so far as medical cases are concerned.

Officials of casualty insurance companies are sending to Madison for copies of the new comparative negligence law. The insurance men say that they cannot yet forecast how large an increase the passage of the law will necessitate in rates for casualty insurance. They declare, however, that the bill will probably mean a higher charge for protection against the results of automobile accidents.

Governor La Follette has also signed a bill permitting a maximum recovery of \$12,500 for damages for death by wrongful act. The law also provides for a sum not exceeding \$2,500 for the loss of society and companionship to the parents or wife of the deceased.

Pennsylvania State Fund Attacked by the Governor

CRACKS ITS ADMINISTRATION

Declares That Simplest Rules Were Ignored in Handling This Important Department

PHILADELPHIA, July 1.—In a severe criticism today of the administration of the state workmen's compensation insurance fund, Governor Pinchot attacked the regime of P. H. Dewey, now secretary of internal affairs. Although Mr. Dewey ran on the same ticket with him, at the beginning of his administration Gov. Pinchot replaced him with W. Jack Stiteler, Jr. Last week, J. C. Bingham, assistant manager of the fund for years, was dropped.

In his statement today, the governor said that unpaid premiums were "allowed to accumulate month by month until they reached such large amounts that the policyholder was unable to pay the bill, choosing rather to leave the state fund holding the bag while he departed to seek insurance protection from other sources."

The governor added that the fund "finds it advisable to give notice that all policies will be promptly cancelled if not paid within the legal limit of thirty days. This order is made necessary by the fact that the fund has, as an inheritance from the Fisher administration, unpaid and uncollectible premiums to the incredible amount of more than \$250,000. 'The simplest business rules and principles of common sense were ignored in the handling of the insurance fund to such a degree that it is now necessary to charge off this enormous, inherited, uncollectible balance.'

Interest in "Snitch" Campaign

ST. LOUIS, July 1.—Home offices of many casualty companies writing automobile and public liability are greatly interested in the campaign of the St. Louis Public Service Company against ambulance chasing lawyers. It is offering rewards of \$500 to \$1,000 for the arrest and conviction of fake claimants, attorneys prosecuting such cases, their runners or "snitchers."

The "Transit News," the company's publication, declares the ambulance chasers have boosted automobile insurance rates in St. Louis and that the same protection for which St. Louis automobile owners must pay \$53.10 may be secured in Cincinnati for \$25.20; Detroit, \$30.60, and Chicago, \$37.40.

"This rate is considerably greater than that of any of the other large western cities," it says, "and insurance men show no hesitancy in placing the blame for the lamentable situation on the doorsteps of ambulance chasers."

Hospital Commissioner Lohr of St. Louis has ordered the superintendents of all city institutions to curb the activities of ambulance-chasing lawyers within the buildings. Ethical attorneys will be permitted to visit clients, but soliciting of legal business will not be allowed.

Changes Coast Plan

The Consolidate Indemnity has changed its Pacific Coast plan of operation from the branch office to the general agency system. Appointment of a general agent and also of a manager for the service office to be opened at San Francisco will be announced shortly.

Stockholders Meet July 28

Special stockholders' meetings of the Lloyds Casualty and Franklin Surety have been called for July 28 to take formal action on the proposed merger of the two companies.

Blame Is Placed on Lavish Awards

Testimony Taken in Oklahoma on Petition for Increased Compensation Rates

ROEBER GIVES HIS VIEWS

Unusually High Loss Ratio Cited in Plea for 57 Percent Higher Scale by National Council

OKLAHOMA CITY, July 1.—Liberal awards of the state industrial commission, reopening of old cases already settled, and the depression were cited by witnesses as factors in the demand for increased workmen's compensation rates in Oklahoma at the hearing opened Monday before the state insurance board.

J. B. King, attorney general, the Associated Industries, Oklahoma Retailers Association and others filed protests against the increase and at the opening of the hearing asked that the applicants be required to give more specific information on which rate increases were asked. The board refused the request, saying that if it was not developed in the testimony more exact information would be ordered.

Roerber Upholds Request

An increase of 57.9 percent asked by the National Council on Compensation Insurance is justified by figures showing the experience of companies in Oklahoma since January, W. F. Roerber, manager National council, declared.

There was testimony that the National council never has compiled the expense cost of compensation in Oklahoma, but simply has taken figures reported to the New York department by companies which by their financial aid make possible the existence of the council.

E. R. Ledbetter, Oklahoma general agent for the Aetna, testified that his company's loss ratio in 1930 on compensation was about 95 percent and up to March, this year, was 169 percent.

Criticizes Law Interpretation

He attributed this tremendous increase largely to "the interpretation of the law given by the present industrial commission, an interpretation never dreamed of."

The hearing will probably continue several days. In a letter directing the attorney-general to protest the increase, Governor Murray demanded that the rates be decreased instead. Two members of the board which will pass on the application for the increase are appointees of the governor and there is some speculation as to how they will perform in the face of the governor's demand.

Big Judgment for Eye

An unusually high award of \$30,000 for loss of one eye in an automobile accident, in view of the fact that this did not involve total loss of sight as one eye was left, was awarded by a jury in the superior court at Chicago to an 11-year-old girl. Her attorneys had asked for \$50,000. The judgment was against Edgar McClun, who is associated with his father, John McClun, in the real estate business. Loss of sight of only one eye is generally considered not a major injury, except to the afflicted person, for while the other eye might later be affected, bringing on total blindness, many persons who have lost one eye are able to see almost as well as though they had both.

WORKMEN'S COMPENSATION

Proposal Has Better Chance

Argument in National Council Between
Stock and Non-stock Carriers
May End Soon

NEW YORK, July 1.—So concerned have casualty executives been in discussing plans for securing emergency workmen's compensation rates, the need for which has been made painfully apparent through publication of 1931 statements, that no opportunity has offered for further discussion of the action of the National Council on Compensation Insurance last October, in amending its constitution to restrict its activities to determining pure loss costs. It was decided to leave to stock and non-stock companies the question of expense loadings as each might decide. This move by the council failed to receive sanction of the National Convention of Insurance Commissioners, which at its gathering in Chicago two weeks ago favored instead the compromise proposal of C. W. Hobbs, representative of the National convention to the National council.

Though nothing further has been done, because of lack of time, it is probable that the subject soon will be taken up and the policy of stock and non-stock companies whipped into shape for submission to the commissioners at their annual convention in Portland, Ore., Sept. 14-17. The assumption is that there will be no difficulty in reaching accord. The compensation business is in so serious a plight that there is dire need for taking reformative action, and this is of far greater concern now than the issues over which the two classes of carriers fell out nine months ago.

May Boost Hospital Charges

Members of N. J. Hospital Association
Propose Rate Increase in Accident
Cases

NEWARK, July 1.—Hospitals affiliated with the New Jersey Hospital Association propose increasing from \$4 to \$4.50 a day their charge for the care of workmen's compensation and other accident patients, including those injured on highways. The new rate is the same as that charged by New York City institutions. The action of the association follows a study by the compensation insurance committee of the organization of hospital cost and service rendered to accident patients, the past three months. Records of the department disclosed the average cost of maintaining a patient a day in 47 general hospitals in New Jersey was \$5.12 in 1930 and \$5.71 in 61 institutions in 1929.

Last year the hospitals of the state rendered approximately 95,000 days' care to compensation patients and 165,000 days to highway accident cases. Mrs. E. G. Levy, executive secretary of the New York state committee to remedy medical and hospital problems in connection with workmen's compensation insurance, said many of the large insurance companies had shown a willingness to solve the difficulties, and had accepted the principle that hospitals should be compensated to the actual average cost for service to patients.

Can Reopen Case

LANSING, MICH., July 1.—While the compensation board of the department of labor and industry has no power to disturb a final settlement duly filed and approved, a court in equity has a perfect right, on proper showing, to order reopening of such cases, the Michigan supreme court has just held in *Louis Panozzo vs. Ford Motor*.

Recommendations By States

Conference on Labor Legislation Suggests
Broadening of Compensation
Coverage and Regulations

NEW YORK, July 1.—New York, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Ohio, Maryland, Delaware and West Virginia were represented at the Eastern Interstate conference on labor legislation at Harrisburg, Pa., which recommended the following:

"Fullest possible extra-territorial jurisdiction under the compensation statutes of the several states.

"Provision for workmen's compensation coverage of all occupations in which one or more persons are employed, except farm labor and domestic service.

"Provision for coverage of occupational diseases under the workmen's compensation act.

"Provision by the several states of full medical service, either by statute provision or procedural permission; and that the states be equipped with salaried staff physicians for assistance and counsel in the adjudication of compensation claims.

"Provision that measurement of permanent and partial disability for loss of members be the same in all states as in the federal compensation act.

"Adoption by the several states of the uniform compensation rate of not less than \$20 and a minimum of not less than \$10.

"Application of the principle of charging against industry the full and necessary administrative expense of the boards and commissions charged with the responsibility of enforcing the provisions of the compensation statutes."

Rejected Risks Provided for in New Wisconsin Law

MADISON, WIS., July 1.—New provisions relating to insurance of rejected workmen's compensation insurance risks have been made in Wisconsin, following approval of Bill 856-A by Governor La Follette.

When a rejected risk is called to the attention of the workmen's compensation bureau and it appears that the risk is in good faith entitled to coverage, the bureau shall fix the initial premium for it, and upon payment of this premium shall designate a member whose duty it shall be to issue a policy containing the usual and customary provisions found in such policies therefore, but for which undertaking all members of said bureau shall be reinsurers as among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by such member bears to the total compensation insurance written in the state during the preceding year by all members of the bureau.

Demands Completion of Records

TOPEKA, KAN., July 1.—A bulletin has been sent to all industrial employers in Kansas and to the insurance companies writing compensation lines, demanding that they complete the records of many cases on which the compensation commissioner has only partial information. Commissioner Baker announced that there were two items of the complaints. One is that in many instances the final report has not been completed on medical fees and hospital fees. The other is that there are 1,584 cases where employees were reported as injured but in which no further report has been filed. Some of these cases, of course, were not compensable but the commissioner believes the records ought

to be completed. Many other cases required only a small amount of compensation and no final release or report as to the payments have been submitted to close these records.

Board Has Full Power

ALBANY, July 1.—Power to reform workmen's compensation policies and correct errors due to mistake rests in the industrial board, according to the New York court of appeals in the case of *Royal Indemnity vs. Abraham Heller*. The Royal Indemnity issued a policy on March 9, but due to a clerical error the date on the face of the policy was February 9. An accident had occurred on March 7 and the assured claimed that the insurance company was liable under the terms of the policy.

At a hearing before the industrial board the Royal Indemnity interposed the defense of mistake in the policy and presented evidence of the mistake, but

the industrial board ruled it was without power to reform the policy and that it was bound by the written instrument as it stood. The Royal Indemnity took an appeal from the industrial board, and also began immediately an independent suit to reform the policy. The court of appeals holds that the industrial board has power to reform the policy and therefore dismisses the separate suit for reformation, pointing out that the erroneous ruling of the board can be reviewed on the appeal from the award.

Would Shift Administration Cost

MADISON, WIS., July 1.—The cost of administering the state workmen's compensation act would be shifted to insurance companies and self insured employers under a bill offered in the state senate through the finance committee, last week. This would mean an additional expense of \$200,000 annually to companies carrying compensation insurance, and the self insurers.

ACCIDENT AND HEALTH FIELD

Bars Restriction to Earnings

Wisconsin Official Says Reduction of
Indemnity in "Non-Can" Form Violates
Standard Provisions Law

The clause now used by most of the larger companies writing non-cancellable accident and health insurance, which limits the benefits payable under these contracts to the actual earnings of the insured, is in violation of the standard provisions law and can not legally be used in standard provisions states, the Wisconsin attorney general's department holds in an opinion given to Commissioner Freedy at his request.

The clause submitted by Commissioner Freedy reads: "If the monthly indemnity provided herein alone, or together with all accident, sickness or disability benefits payable under other contracts of insurance upon the person of the insured, exceeds the average monthly earnings of the insured for the period of two years (any period the insured was necessarily unemployed by reason of accident or sickness not included) immediately preceding the commencement of disability for which the company is liable, the company will pay only such proportion of the monthly indemnity provided herein as such average monthly earnings of the insured bear to the total benefits payable under all such contracts."

Standard Provisions Law

In ruling against the use of this clause or others of similar import, the opinion cites the sections of the standard provisions law which prohibit the use of any provision limiting the amount of indemnity or relative to other insurance, except the optional standard provisions, and state that no provisions may be used which vary, alter, extend or in any way conflict with any of the standard provisions or optional standard provisions; also the opinion of the Wisconsin supreme court in *State ex rel. Time Insurance Company vs. Smith*, interpreting the latter section.

The opinion holds that the provisions in the clause submitted "conflict with" and "vary, alter or extend" the optional standard provisions and therefore may not be contained in an accident and health policy.

Federal Life Is Retiring From the Non-Can Field

The Federal Life of Chicago has withdrawn its main non-cancellable health and accident forms and is devoting its attention to other lines. At one time it was an aggressive contender for this business. The Connecticut General Life is practically out of the non-cancellable

arena. This leaves the Continental Casualty, Pacific Mutual Life and Massachusetts Accident as the main companies writing this form. The Federal continues its new "progressive" disability policy, issued in April.

Texas Mutuals Enjoined

AUSTIN, TEX., July 1.—On petitions filed by Attorney General Allred, the district court here granted temporary injunctions against the Air Travelers, Dallas; Merchants Casualty, San Antonio, and Old Republic Indemnity, San Antonio, restraining them from transacting business pending final hearing.

Quo warranto proceedings were filed to forfeit charters of these companies. They were incorporated as mutual assessment health and accident companies under the 1925 statute and are alleged to have violated the insurance laws in several particulars.

Continental Life's New Policy

The Continental Life of St. Louis has issued a new \$10 accident policy, known as the "defender," non-cancellable to age 65, which pays \$5,000 for death or dismemberment as a result of railroad, street car, elevated, interurban or steam vessel accidents; \$2,500 for automobile accidents and \$1,000 for yacht or aircraft losses. Smaller amounts are paid for certain other accidents. It is issued to men and women, ages 15-65.

Montague Claims Auditor

F. M. Montague has been appointed claims auditor for the accident and health department of the Pacific States Life. Mr. Montague has been in the accident and health field since 1911, except for the period of his army service, in personal production, agency organization and home office underwriting, as well as claim work, to which he has devoted his entire time since 1919. For the past two years he has been in charge of the claim department of the Pioneer Casualty, which recently reinsured its business with the Occidental Life.

P. H. Buck recently resigned as superintendent of claims for the Pacific States to take charge of claims in the Atlanta, Ga., territory for the Pacific Mutual.

Los Angeles Club Ends Season

LOS ANGELES, July 1.—At the last meeting of the Accident & Health Managers Club at Los Angeles prior to the vacation season, further plans were discussed for the convention of Pacific Coast accident and health managers clubs here Sept. 19. The club will resume its meetings fourth Tuesdays in

August, which will provide two meetings before the convention.

W. E. Lebby of the Behrend-Levy-Rosen agency, vice-president of the club and recently elected vice-president of the National association, gave a brief report on its meeting.

Offers New Combination Form

The "modern" accident policy just announced by the Travelers, combines in one policy the death, dismemberment and reimbursement features for both men and women, ages 18-65. The new policy is a combination of the Travelers "family" accident policy and one which offers accidental death and dismemberment benefits.

It may be written with principal sums from \$5,000 to \$20,000, the amount of reimbursement which may be obtained with \$5,000 principal sum ranging from \$500 to \$2,000, up to \$2,500 reimbursement with \$15,000 principal sum and \$3,000 with \$20,000 principal sum.

The principal is payable for loss of life, both hands or both feet or sight of both eyes, one hand and one foot and either hand or foot and the sight of one eye. Special benefits are provided for a schedule of specific injuries, with the double indemnity provisions.

Industrial Business Improving

CHATTANOOGA, TENN., July 1.—Dr. J. W. Johnson, president Interstate Life & Accident, reports that its industrial business increased materially in May, which was one of the best months in the company's history.

The industrial business fell off last January, but has increased every month since, Dr. Johnson said. The industrial business is considered a good barometer among the laboring classes. In other classes of insurance the Interstate has just about held its own.

Globe Casualty Policy

The Globe Casualty of Columbus, O., has just placed on the market the "Ohio" disability policy, non-prorating, non-classified, non-cancellable; issued on the monthly premium plan in all classes from AA to E inclusive at the same

rate of \$2 per month for indemnities of \$60 a month for accident or illness and \$600 principal sum. The policy provides for a short period of partial disability and non-confining illness during convalescence. Additional features are hospital indemnity, accumulations on both the monthly and principal sum indemnities, surgeon's fees, identification and grace period in payment of premiums.

Chicago Tournament Results

In its first golf tournament of the present season, held by the Accident & Health Managers Club of Chicago last Thursday at the Cherry Hill Country Club, E. McAllister, Continental Casualty, turned in the low score. L. D. Edson, Zurich, was second, and I. J. Trenary, Southern Surety, third.

Harmon Field Supervisor

Mark Barichievich, manager accident and health department of the Occidental Life at San Francisco, has appointed W. F. Harmon field supervisor. Mr. Harmon has been with the Mutual Benefit Health & Accident in California as agency organizer since 1919.

New Home for American L. & A.

LOUISVILLE, July 1.—The Keller building here is being remodeled for new offices of the American Life & Accident, which will spend about \$35,000 on alterations and improvements. It is planned to complete the work by Aug. 15. The building was formerly occupied by the National Bank of Kentucky.

Warning on Fake Agent

The Ohio department has issued a warning against a man giving the names of F. E. Austin and Jack Hannon, who represents himself as an agent for the Physicians Protective Casualty of Chicago. He has been writing health and accident policies on Ohio physicians and collecting \$11.40 premium on each policy. The policy, however, it is said, is never delivered. The Physicians Protective says the man is not representing that company.

CHANGES IN CASUALTY FIELD

McKeag Quits Newark Post

Veteran New Jersey Casualty Man Resigns as Manager for Concord Casualty & Surety

NEWARK, July 1.—S. H. McKeag, who has been New Jersey manager for the Concord Casualty & Surety, with offices in Newark, for about a year and a half, has resigned, effective Aug. 1. He will announce his future plans shortly after Sept. 1. Mr. McKeag has been active in the casualty field in New Jersey for many years and was with the Commercial Casualty and Pennsylvania Surety before joining the Concord. He is secretary of the Casualty Underwriters Association of New Jersey.

Resigns as Reciprocal's Manager

T. K. Joy, who last October resigned his connection with the General Accident in Detroit to become manager of the San Francisco office of the Casualty Association of America, has announced that he no longer represents the reciprocal.

Joins Hardware Mutual.

A. H. Scholz, until recently assistant manager of the Public Indemnity in Chicago, has been appointed to an executive position in the service department of the Hardware Mutual Casualty of Stevens Point, Wis. Mr. Scholz was assistant manager of the Chicago branch of the Georgia Casualty when that com-

pany was merged with the Public and for a time he remained with the consolidated company.

Chevalier with Union Indemnity

Al Chevalier, newly appointed special agent for the Union Indemnity by D. McGrew, manager of its Detroit branch office, will travel eastern Michigan, with which field he is very familiar, having covered it for the past five years.

Consolidated Indemnity Plans

R. H. Messer has resigned as manager of the Pacific Coast office of the Consolidated Indemnity, according to G. A. Jackson, secretary, at present in San Francisco. Plans are to maintain a service office in San Francisco occupying the present quarters and to announce the appointment of a general agent for the rest of the territory.

Reciprocal Bill Favored

MONTGOMERY, ALA., July 1.—The bill placing restrictions around the operation of reciprocals in Alabama has been reported favorably by the house insurance committee with an amendment striking out the provision requiring a deposit of \$100,000 in securities or a bond in that sum. Opposing interests are waging a big fight on the measure, claiming that if it passes reciprocals will be practically wiped out. They are using every effort to prevent it from being made a special order by the rules committee. With the opening of this week only eight more working days remained for the legislature before adjournment.



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aims to maintain Agency relations dedicated to the theory that the partnership interest best promises success and, in the light of this conviction, intends to foster methods fundamental to business satisfaction.

* *

is equipped to write practically every character of Casualty Insurance and Bonds and to render individual attention to Agents in their problems.

* *

CAPITAL \$1,000,000

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131 W. Lafayette Boulevard

DETROIT

FIDELITY AND SURETY NEWS

Scan Financial Statement

Surety Underwriters Want Condition of Contractors Brought Up to Date Owing to Changes

Surety companies in their contract bond field find that they cannot rely on the financial statements even of a month ago. Contractors that were accepted "sight unseen" in days gone by are carefully checked up to see what their financial condition is today. A surety underwriter remarked that he has every statement brought up to date when a contract bond of any moment is underwritten. Conditions as to contractors have changed with great rapidity. Contractors of the highest standing have been buffeted about and many of them badly twisted by the business depression. Therefore this means more work for agents in getting up correct statements for companies.

Committee Will Recommend Uniform Method of Writing

NEW YORK, July 1.—To a committee of the Surety Association of America has been assigned the task of recommending a uniform method of writing bonds guaranteeing the safe return of

securities given state treasurers by banks, public officials, contractors and others. Some of the companies issue bonds of this nature through their judicial departments, while others write through their contract or fidelity divisions, with the result that with such lack of uniformity it is impossible to secure properly classified loss experience. The matter of agreeing upon a uniform basis has been discussed off and on for a number of years, but until now no move looking to an agreement has been taken.

Starting Los Angeles Branch

W. E. Roesch, head of the M. & S. Agency in Newark, is in Los Angeles, where he plans to open a branch office of his agency for California. Mr. Roesch flew from Newark to Los Angeles. The M. & S. Agency specializes in court bonds and bail bonds for approved risks.

Mississippi Bank Act Upheld

The constitutionality of the Mississippi bank guaranty act having been upheld by the supreme court of the state, there is a prospect that depositors in banks that failed prior to March 11, 1930, will shortly receive a percentage of their claims, providing there is a satisfactory sale of the \$5,000,000 special state bond issue. Mississippi's bank guaranty law became effective in 1916,

and was amended in 1922. Under its terms banks may be assessed 1/20 of 1 percent of their average guaranteed deposits, less capital and surplus, though not more than five such assessments can be made in any calendar year.

Cut Rate Competition

MUSKEGON, MICH., July 1.—Cut-rate competition for surety bond business on municipal construction projects is still being furnished by some of the local agencies. Quite recently the city commission accepted the bid of the J. A. Dratz agency for bonds to be supplied on the Smith and Orchard street paving jobs. The Dratz bid was cut-rate and the lowest of eight submitted. The Risk Insurance agency was awarded the bond business for sidewalk construction.

The Muskegon Association of Insurance Agents at one time made an effort to have the commission delegate to a committee for the agents' organization the job of prorating municipal business among the member agencies. A violent protest arose from non-association circles, however, and nothing has been done about the proposal. The commission has indicated, however, that in the future all contractors bidding for city paving contracts will be required to furnish their own bonds, subject to commission approval.

Additional Bonds Required

LINCOLN, NEB., July 1.—Under a recently-enacted law, Governor Bryan has required State Auditor Marsh to give additional bond of \$500,000 and his bond deputy, Ralph Lawrence, one for \$250,000. The Omaha National Company, general agent United States Fidelity & Casualty, supplied the latter bond, while the larger one was written by the Harry A. Koch agency at Omaha. Business was split with other agencies on both bonds. They furnish additional security to the \$1,000,000 burglary insurance recently ordered by the legislature to protect securities deposited with state auditor by state banks carrying heavy deposits of public funds. The personal bonds extend the coverage to the individuals. State Treasurer Bass says most of the banks have been supplying surety bonds rather than depositing securities.

Coast Conference Elects

SAN FRANCISCO, July 1.—Officers and executive committee were reelected at the annual meeting here of the Northern California Fidelity & Surety Acquisition Cost Conference. Those returned to office are: S. L. Webster, president; E. A. Davis, vice-president; A. D. Mennie, secretary-treasurer; F. J. Crisp, H. G. Sheehy, H. A. Miller and C. A. Prevost, executive committee. E. A. Davis, chairman membership committee, reported that several new members had been added the past year, and that promises to join had been received from other companies operat-

ing in the territory. A 100 percent representation of all eligible companies in the territory was set as the goal for the coming year.

State Bonding Bill Killed

MADISON, WIS., July 1.—The state bonding fund bill, which would have put the state into the business of furnishing covering state deposits in banks, was one of the important measures automatically killed in the filibuster which broke up the 1931 session of the Wisconsin legislature. The unexpected turn of events brought relief to surety men, who had spent two anxious days watching developments on the bill, which would have virtually put them out of business. The Insurance Federation of Wisconsin led a strong fight against the measure.

Continue Bail Bond Bureau

The New York Bail Bond Bureau was continued for another year at a meeting of surety company members. It has been clearly demonstrated, according to the companies, that there is a legitimate place for such a bureau operated under standard rules and regulations and with standard premium charges. Superintendent Van Schaick of New York attended and spoke. R. M. Nugent, manager, reported the smallest bail bond written was \$25 and the largest \$100,000. The present quarters at 103 La Fayette street, New York City, will be continued during the daytime and at night and on Sundays and legal holidays bonds will be handled from the uptown office at 300 West 54th street.

Covered by Bond

LINCOLN, NEB., July 1.—Attorney General Sorensen has ruled that the state of Nebraska is not liable for any securities required by law to be deposited by state banks to secure public moneys placed with them. He says that the state official into whose custody such securities are given by the law will be liable on his official bond. The legislature is expected to appropriate \$11,000 to pay the biennial premium on the increased bond the state auditor will be required to give for this purpose.

Should Require Adequate Bonds

BALTIMORE, July 1.—Another argument in favor of requiring public officials to furnish bonds equal to the total funds which they handle is furnished by the case of the city treasurer of La Grande, Ore. The Fidelity & Deposit recently forwarded a \$25,000 check to that city in full payment of its bond on the defaulting official. The city, however, still is out \$87,252, the full amount of the shortage as shown by an audit of the books being \$112,252.

Pays Big Wisconsin Loss

The Fidelity & Deposit has paid the city of Green Bay, Wis., \$150,000 on a bond covering the city's deposits in the McCarty National Bank, which closed May 28, and \$37,330 to Brown county, covering the county funds in the defunct bank.

More Accidents, Higher Rates

Governor Ely of Massachusetts told members of the Kiwanis Club of Westfield, Mass., that unless there is substantial improvement in the automobile accident situation, an increase in automobile liability rates must be expected. "People," he said, "can't get away from the fact that an increase in accidents means an increase in rates. The drivers themselves have the matter entirely in their own hands."

"The automobile," the governor added, "has proved to be an expensive and dangerous instrument on the highways and people must begin to appreciate this, if highway safety is to be realized. The slaughter of lives on the highways is a disgrace to civilization and must be remedied."

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



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ASSURANCE CORPORATION, Ltd.

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The National Underwriter

WITH BURGLARY UNDERWRITERS

Securities Thefts Reduced

**Less Activity in the Financial Market
Cuts Off Number of Juvenile
Messengers**

NEW YORK, July 1.—The theft of stocks and bonds from messengers employed by investment houses in the financial district here, so prolific a source of loss to companies months ago, rarely occurs now that the business of brokers and bankers has fallen off so markedly. During the active days in the financial market every important dealer in securities had a number of messengers running about, each carrying a bundle of valuable securities, many of the negotiable type. Spotting boys thus employed, master crooks would inveigle them through the promise of "easy money" into parting with the securities in their charge, the messengers reporting that they had been robbed. While some of the thefts were without the connivance of the messenger, in the great majority of cases there was collusion. With the marked decline in the volume of business transacted that fol-

lowed the debacle of 1929, investment brokers began cutting down their staffs, and the surplus messengers were the first to go, these being for the most part boys or young men taken on during the high pressure days. The employees retained almost without exception were those of whose honesty there was no question. The result was a rapid decline in the number of stolen securities, a process that continued, until today thefts of such character are rare events.

Underwriters hold that the theft of securities from messengers, even during periods of great activity in financial circles, would be very substantially curtailed were matured men of tried worth employed to carry valuable papers instead of irresponsible youngsters, and if receipts from a responsible person in each office to which delivery was made be obtained in every instance. One of the prominent surety companies specializing in granting indemnity to bankers and brokers has at call a number of expolicemen, firemen and trainmen, whose services are available as messengers during rush hours, and where men of this type are employed thefts of valuables entrusted them simply don't occur. They are substantial people.

CASUALTY PERSONALS

Stricken during a business visit to New York, **B. C. Bowen**, president Welles-Bowen Company of Toledo, general agent for the Ocean Accident, died shortly afterwards in the Beekman Street hospital from heart trouble. He collapsed outside the Home Insurance Company building and was taken inside for first aid treatment before being removed to the hospital. Mr. Bowen was 58. His company has been general agents for the Ocean for 18 years.

Funeral services were held in Pontiac, Ill., last week for **Harvey D. LeMessurier**, western manager for the Hartford Accident at Chicago, who died in Kansas City at the age of 44. Mr. LeMessurier, who held one of the most important casualty positions in the west, had gone to Kansas City for an operation. Five days after the operation, Mr. LeMessurier was released from the hospital and went to the home of a friend to recuperate further. Two days later he died.

Mr. LeMessurier joined the Hartford

Accident in December, 1915, and organized its western department, where he remained as manager until the time of his death. Mr. LeMessurier was an intelligent student of the business as well as being an aggressive business builder. He had a capacity for making friendship and he is widely mourned outside the Hartford organization as well as inside it.

Mr. LeMessurier was born in St. Johns, N. F., in 1886 and was brought to this country as a youngster, his parents taking up residence in Pontiac. He started in the insurance business with his father, who was and is now a leading agent of that city. Later he joined the W. A. Alexander organization as Illinois special agent for the Fidelity & Casualty. Then he served with Conkling, Price & Webb as special agent. His next connection was with the Hartford.

His brother, C. L. LeMessurier, is manager of the Oakland, Cal., office for the Hartford Accident.

There were present at the funeral

from the head office of the Hartford Accident Vice-President J. C. Lee, Wessell Doherty, chief of the claim department and Chief of the Liability Department Williams. About 150 executives, employees and agents of the Hartford Accident went to Pontiac from Chicago and other sections to attend the funeral.

E. T. Fitzgerald, prominent Detroit general agent has been appointed a member of the Michigan public utilities commission by Governor Brucker. Mr.

Fitzgerald has been conspicuous in the public life of Detroit for the past 15 years. He is president of the Fitzgerald-Freiberger Agency, general agent for the Fidelity & Deposit and Travelers Indemnity and representing also the Maryland Casualty and Zurich.

H. H. Smith, president Central West Casualty, and **J. H. Townsend**, treasurer Michigan Insurance Agency, Detroit, were among the directors elected by the Union League of Michigan at its annual meeting last week.

CASUALTY ASSOCIATION NEWS

New Jersey Club Has Outing

**More Than 200 in Attendance—Prizes
for Golf Tournament and Other
Athletic Events**

The annual outing of the New Jersey Casualty Underwriters Association at the North Jersey Country Club near Paterson was attended by more than 200 members and guests from all parts of New Jersey.

Low gross scores in the golf tournament were: First, John L. Martin, Standard Accident, Newark; second, Byron Conklin of O'Gorman & Young, Newark; third, Albert Allsopp, Newark.

Low net scores: First, George Brush, Union Indemnity; second, A. J. Dougherty, General Casualty & Surety; third, Frank Heller, Heller-Schlesinger Agency, Newark.

Kickers contest: First, J. A. Berry,

Fidelity & Casualty; second, R. Magee, Bankers Indemnity; third, W. T. Ricketts, T. C. Moffatt Agency, Newark; fourth, Henry Reardon, Standard Casualty & Surety.

Guests low gross, C. J. Simons, Newark; kickers contest for guests, first, J. A. McLaughlin, Jersey City; second, J. P. Martin, Continental Casualty, Detroit; third, F. J. Percarpio, Paterson; tennis contest, E. M. Doughty, Independence Indemnity; putting contest, R. W. Hawks, New Amsterdam Casualty.

Guests at Dinner

At the dinner in the evening W. A. Schaefer, president of the association presided. Guests included A. R. Lawrence, manager Compensation Rating & Inspection Bureau of New Jersey; C. A. Gough, deputy insurance commissioner, and W. J. Snedeker, in charge of insurance licenses at the insurance department.

Insurance Advertising Club of Chicago Formed

The Insurance Advertising Club of Chicago has been organized, with J. H. Woods, advertising counsel Great Northern Life and Central Life of Illinois, as first president. Other officers are: Vice-president, R. S. Walstrom, advertising manager Continental Casualty; secretary, D. J. Wellenkamp, director of public relations Illinois Life, and honorary treasurer, E. S. Lusk, advertising manager Security Life of Chicago.

Meetings will be Wednesday noons. There will be no dues, by-laws, rules or attendance drives. Officers will have no duties and no authority. An entire new

set will be elected any time a member calls for an election.

With this arrangement for eliminating routine business, it is anticipated the club will be able to get down to business quickly. The membership includes representatives of life and casualty companies.

Graphic Accident Prevention

The Lumbermen's Mutual Casualty has prepared a unique pamphlet in the interest of accident prevention. It consists of photographs of 15 different road situations, showing graphically on the left page how improper driving causes accidents and on the right page how proper driving avoids accidents. In the photographs are sketched automobiles and street cars which illustrate the various situations.

The Best Prospects in the World

That's the class of business men and women you meet as an Income Guaranty representative.

Vigorous, successful business people, but the sort who prudently look forward to the time when, through illness or accident, they may not be able to work.

Therefore, they are in a receptive mood, with minds clear to grasp the advantages of our Accident and Health policies which guaranty their future incomes. Thousands of forward-looking men and women are securing this practical protection.

Wider, day by day, spreads the circle of Income Guaranty beneficiaries. Don't you want to join our staff of representatives who are securing this desirable business?

Write us today.



Income Guaranty Company

Capital Stock \$124,100.00 - Surplus to Policy Holders Over \$184,000.00

Legal Reserve Stock Company

Income Building —(Established 1917)— South Bend, Ind.

OUR FEATURES

PROSPECT SERVICE
FULL COVERAGE
NON-CANCELLABLE
MALE and FEMALE RISKS
STARTS FIRST DAY
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Prompt Claim
Payments
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Pays on Any Disease
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Indemnities

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Your Choice Should Be
The
HOTEL MAJESTIC
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400 LARGE ROOMS

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Single, with running water

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5 minutes from City Hall, Penna. Terminal and downtown business section by subway with direct entrance to hotel.

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HOSPITALITY that is refreshingly old-fashioned in spirit yet strikingly modern in manner. Six hundred fireproof rooms with baths. Three restaurants serving noted cuisine.

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CHICAGO

**Stockholders O. K. Federal
Surety Reorganization**

MANY PERSONNEL SHIFTS

Yenter President, J. R. Jones, B. W. Balay, G. W. Decker, F. B. Yetter, Vice-Presidents

DAVENPORT IA., July 1.—Decision to re-enter the direct writing field, readjustment of capital setup and reorganization of the executive personnel of the Federal Surety were accomplished at a special meeting of its stockholders in the home office here today.

Adoption of the new policies was coincident with the assumption of the presidency of the company by Ray Yenter, former Iowa commissioner who resigned last week. He had been elected president several months ago. George W. French, Rock Island, is chairman of the board and Ray Nyemaster of the American Commercial Savings Bank, Davenport, chairman executive committee. Lloyds Casualty interests are retiring although Frank Cohen remains on the board for the present.

Capital stock of the company has been reduced from \$1,500,000 to \$750,000, establishing capital and surplus at \$1,200,000. Fifteen thousand shares of capital stock are continued in the treasury. Assets are \$4,500,000 and insurance liabilities \$1,750,000.

Jones Vice-President

J. R. Jones, Dayton, O., becomes a vice-president in charge of operations in that territory; G. W. Baillio, Dallas, was elected vice-president, in charge of the Dallas office, and B. W. Balay, Indianapolis, another vice-president, will be active in the home office. Other vice-presidents are: Dr. G. W. Decker and F. B. Yetter. Theodore G. Lorenzen continues secretary, and Alfred C. Mueller was elected treasurer, succeeding P. W. Bigler. All the officers have taken places on the board of directors.

In re-entering the direct writing field, the company will abandon its operations on the Atlantic and Pacific coasts, confining its activities to the Mississippi valley. Stockholders gave approval to the reinsurance of the Old Trails of Memphis, which has been completed, and report of the completion of the reinsurance of the Liberty of Dayton, O., was made. Notice of this reinsurance has been made to the Ohio insurance department for formal liquidation of outstanding business and salvaging of producing plant and assets.

**Emergency Compensation
Rate Increase Is Voted**

NEW YORK, July 1.—Because of the serious situation in workmen's compensation insurance, members of the National Council on Compensation Insurance have just adopted a resolution providing for a countrywide emergency increase in the rate for the several states effective Sept. 1. It is based on the state loss ratios indicated by policy year 1929, increased by an emergency loading of 2.05 points, which loading averages slightly over 4 percent in rates.

It is provided, however, that in states having less than \$1,500,000 annual premium volume the loss ratio used shall be the average of policy years 1928-1929 or 1927-1928-1929, whichever is needed to secure a loss ratio based upon approximately \$1,500,000 premium volume.

The loss ratios referred to in the preceding contemplate modified policy year 1929 loss wherein premiums are corrected to reflect current approved collectible rates, indemnity losses corrected for law amendments and medical losses projected to 1932. The following resolution was also adopted:

"That the increases provided in the foregoing resolution shall apply to new and renewal business, provided, however,

that all policies issued to become effective on or after Sept. 1, 1931, shall be endorsed to permit the increase as of the date approved."

The chairman also drew the attention to a section of the resolution adopted by the National Convention of Insurance Commissioners urging the carriers to make an investigation to see what items of cost can be eliminated and what economies of operation might be effected.

**Big Merger Deal
at Philadelphia**

(CONTINUED FROM PAGE 33)

It was announced that when the merger of the Commonwealth Casualty and American Mine Owners Casualty was consummated, the capital of the merged consolidated company would be \$500,000, surplus \$1,100,000 and assets \$6,350,000. The Jan. 1 statement of the Commonwealth showed assets \$4,539,779, premium reserve \$2,092,844, premiums earned \$4,241,193, underwriting loss \$1,573,702, capital \$1,500,000. There was an impairment of \$820,210. The capital was reduced and \$750,000 was transferred to surplus early this year.

The Liberty Surety Bond, Jan. 1 statement showed assets \$1,465,749, premium reserve \$139,326, capital \$810,000, net surplus \$131,281. It started in business in January, 1926. Luther E. Mackall joined the company as vice-president in April of this year. The company had premiums last year of \$246,816 and losses \$297,471. The underwriting operations show a loss of 24.6 percent up to the end of the year. The premiums have been gradually decreasing.

Would Require Truck Coverage

BIRMINGHAM, ALA., July 1.—All common carrier motor trucks would be required to carry liability insurance under terms of a bill introduced in the Alabama legislature. Buses already operate under this requirement as a protection to passengers. A few of the smaller lines have been put out of business for failure to take out insurance coverage.

**AMERICAN NATIONAL TO
GIVE ATTENTION TO LIFE**

The American National of Galveston has reinsured its health and accident business with the Washington National of Chicago, the reinsuring company taking over the health and accident agents. Practically all of the branch agencies will remain as they have been in the past. The reinsurance deal was effected in order that the American National could concentrate its efforts toward building up and expanding ordinary and industrial departments.

The company has reduced its rates on ordinary policies and is preparing to issue a new rate book, which will be off the press at an early date.

Olmsted and Ohio Casualty

George Olmsted, personally, and not Olmsted, Inc., is appointed regional manager in Iowa for the Ohio Casualty except for the Iowa business of the Bohman Walt Company of Omaha.

Edward Donaldson and George Katchelhof are employees of the Ohio Casualty at the Des Moines branch but are not members of the Olmsted organization, as was announced.

Willis Reading Manager

John A. Willis, for the past three years special agent for the Maryland Casualty in Kansas, has been promoted to manager in Reading, Pa.

Harvey Meyers Is Ill

Harvey Meyers, vice-president and general manager of the Tennessee Casualty, is reported to be seriously ill at his home in Chattanooga.

**Casualty Company
Activities**

Celebrates Its Anniversary

**Central Surety of Kansas City Launches
"Old Guard" for Officers and Employees in Service Five Years**

KANSAS CITY, MO., July 1.—The Central Surety, founded July 1, 1926, celebrated the anniversary of its organization this week. The annual outing was held June 30. A banquet was held tonight at which officers, directors and some of the company's leading old time agents associated with the present management ten years or more, were present for initiation into the Central Old Guard. Employees, adjusters, field men, etc., who have been with the company five years or longer are eligible to membership, in addition to the agents mentioned above.

An informal two-hour business session, and visits to the various department heads at the company's home office, made up the business portion of the celebration.

Employers Mutual Election

M. P. McCullough, former president of the Employers Mutual Liability of Wausau, Wis., was elected board chairman and H. J. Hagge, former vice-president and general manager, was named president at the annual policyholders' meeting.

Talbot Underwriters Named

The A. R. Talbot Underwriters, former attorney-in-fact for the Highways Motor Underwriters of Lincoln, Neb., a reciprocal organized in 1927 which was recently reinsured by the Utilities Indemnity Exchange of St. Louis, Mo., now is representing the Utilities organization as agent.

Bankers Indemnity Action

The Bankers Indemnity has called a stockholders meeting to vote on the recommendation of the directors that the capital be reduced from \$1,600,000 to \$1,000,000, the \$600,000 being transferred to surplus.

Bankers Casualty

On page 113 of the 1931 Argus Casualty & Surety Chart the figures shown for the income and disbursements items of the Bankers Casualty of Springfield, Ill., are incorrect. The correct figures are as follows: Premium income, \$71,707; total income, \$92,104; losses paid, \$22,252; underwriting expenses paid, \$69,459; total disbursements, \$91,711.

The American Fair Mutual Indemnity of Norwalk, O., has been licensed by the Ohio department. H. R. Endley is secretary.

Commercial Raises Accident Rates

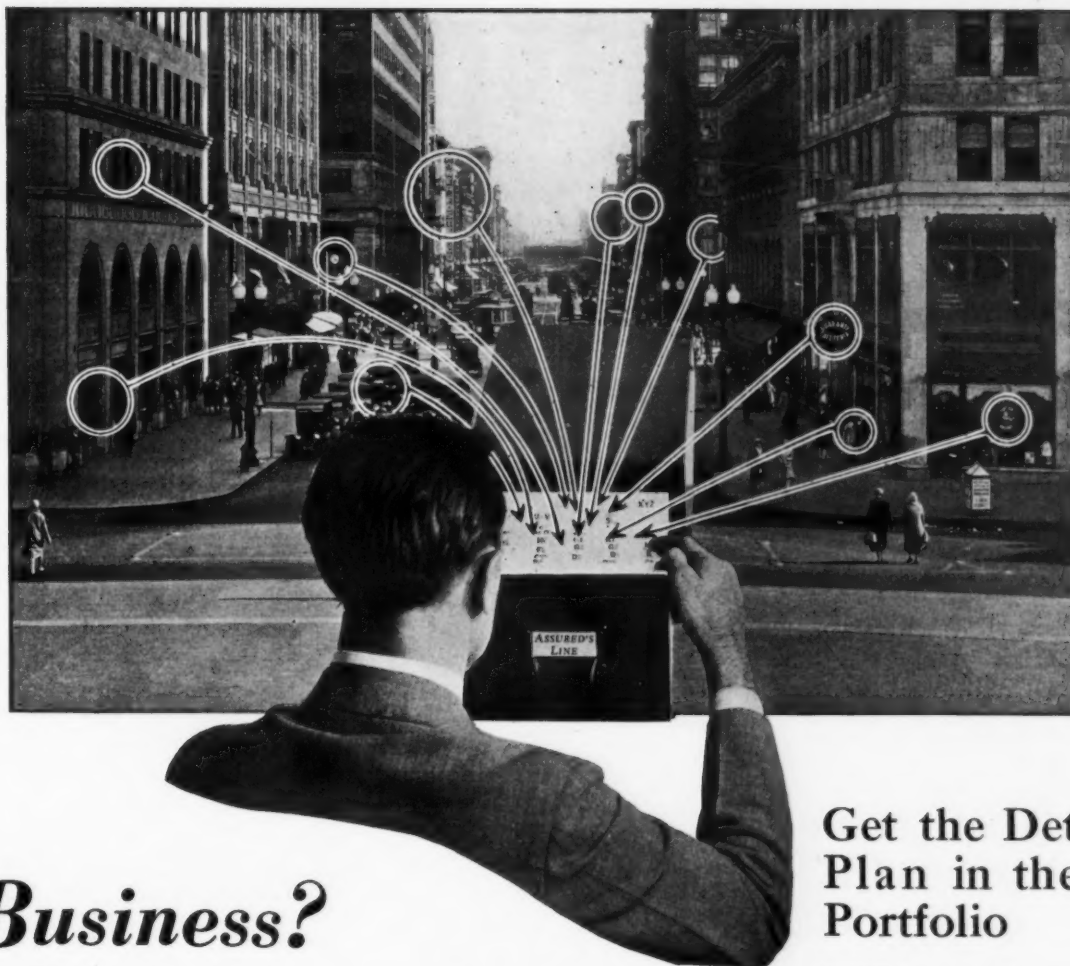
The Commercial Casualty this week announced an increase of approximately 33½ percent in accident and health rates, applying to both new and renewal business. So far as can be learned no other company has taken similar action as yet.

Stockwell Philadelphia Manager

C. H. Stockwell has been appointed manager of the Philadelphia office of the Ocean Accident. He was formerly assistant manager of the branch office of the Standard Accident in the same city.

Get Aetna at St. Joseph

The William H. White & Son Agency Company, St. Joseph, Mo., has been appointed general agent for the Aetna Life and affiliated companies. The Neudorff agency formerly represented the companies there.



New Business?

There's Plenty in Your Customer File! But How Will You Get It?

TAKE a look at some of your assured's line record cards.

Here's Frank Brady's card. Frank runs a dry goods store at Fourth and Walnut. You have part of the fire insurance on his stock, also one of his delivery trucks. But what about the rest of the insurance he carries—or should carry?

George Wells, neighborhood druggist at Twenty-fifth and Pine. George bought a burglary policy. What else does he need? Public Liability on his delivery car? Does he have it? And the other day a woman sued a druggist for \$20,000.00. She claimed a mistake in filling a prescription caused her husband's death. It would be tough on George if somebody sued him for \$20,000.00. He's just getting things going right now. Yes, he certainly needs Public Liability.

M. E. Ellison, M. D.—Complete coverage on his Studebaker. Why not sell Doc a combination home protection policy?

There's no question about it, there is business in these files—plenty of it. The problem is how to get it out.

HOW C. M. HUNT COMPANY DOES IT

FOR two and one-half years the C. M. Hunt Company of Nashville, Tennessee, through the INSURANCE PICTORIAL, has explained the value and importance of different lines of insurance to its clients and prospects. One issue of THE PICTORIAL each year is devoted to an explanation of the advantages of an insurance analysis and survey. "For the past eighteen months," writes Mr. Lee Hunt on May 19, 1931, "we have been securing a nice volume of business by reason of analyses and surveys which we have made on the larger risks in this city. Your January, 1931, PICTORIAL gave such a complete explanation of surveys that we ordered 100 additional copies of this issue. Our success with the insurance survey service is proving that we are leading the other agencies in this city."

"The INSURANCE PICTORIAL has been very valuable to our office, not only from an advertising standpoint, but also through the suggestions contained in your letter of transmittal forwarded with advance copies of each issue."

HOW MR. McWHORTER DOES IT

"WE feel the INSURANCE PICTORIAL has been most helpful in increasing our business," writes Mr. Emerson H. McWhorter, three years Insurance Pictorial franchise holder at Bay Shore, Long Island. "Notwithstanding business conditions," continues Mr. McWhorter, "our insurance business has increased every month for the past eighteen months, with the exception of November, 1930, which was just a little lower than the corresponding month in 1929."

WHAT THE INSURANCE PICTORIAL IS

THE INSURANCE PICTORIAL is a monthly picture magazine for you to send to your clients and prospects. It bears no name except your own on the cover page. Each issue treats a different line of insurance or agency service. It is dignified; it is unusual; and, because it consists largely of pictures, is interesting to everyone.

There is only one kind of printed matter that has a universal appeal. That's pictures. Pictures put over the idea quicker. They're more easily understood. They are more convincing than words. That's why THE PICTORIAL is producing so effectively for hundreds of leading agencies throughout the country.

EXCLUSIVE FRANCHISES GRANTED

THE PICTORIAL is sold on the exclusive basis except in the largest cities. This means that you will be the only one in your city having the right to distribute this interesting picture publication. Since THE PICTORIAL carries your name, it becomes your own publication.

Get the Details of This Plan in the Pictorial Portfolio

THE INSURANCE PICTORIAL PORTFOLIO, illustrated below, contains sample copies of one year's issues and complete details of the plan. It is sent on approval on receipt of one dollar. If you order the service, this dollar is credited to your account; if, after looking the plan over, you should decide that you did not want to place your order for the service, you could return the portfolio and your money would be refunded.

Find out whether the franchise for your city is available. Send for this Portfolio. Look the sample copies over. See how the various coverages are presented visually. You're taking no chance. If you buy, we will



credit the dollar on your account: if you don't, you can return the Portfolio and your dollar will be refunded without any quibbling whatever.

Pin a dollar bill or your check for \$1.00 to this coupon.

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For the enclosed \$1.00 (check or currency) please send me the INSURANCE PICTORIAL PORTFOLIO. If I order the service, this dollar is to apply on my account. If I do not reserve the franchise, I can return this portfolio and the dollar will be refunded. The National Underwriter Company reserves the right to reject my order and refund my money if the exclusive franchise for this city is taken.

Name
Street address
City State

as of December 31, 1930

Total Assets	\$13,909,909.00
Surplus Including Deposit Capital	
(\$800,000.00)	\$2,500,000.00
Voluntary Contingent Reserve	\$1,000,000.00

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